



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2020



"Protecting our History and Providing for the Future"



City of Dawsonville, Georgia
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended June 30, 2020



Submitted by:
Robert D. Bolz
City Manager

INTRODUCTORY SECTION





CITY OF DAWSONVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For Fiscal Year Ended June 30, 2020

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December 7, 2020

To the Members of the City Council
and Citizens of the City of Dawsonville:

It is our pleasure to present the Comprehensive Annual Financial Report of the City of Dawsonville for the fiscal year ended June 30, 2020 to the City Council and the citizens of Dawsonville. Georgia Code requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

Within this report management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Georgia Code requires an annual audit by independent certified public accountants. The City selected Alexander, Almand & Bangs, LLP to perform the annual independent financial statement audit for fiscal year 2020. The audit issued an unmodified opinion for the 2020 fiscal year which is included within this document.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Dawsonville's MD&A can be found immediately following the auditor's report in the financial section of this report.

Profile of the Government

The City of Dawsonville, the county seat of Dawson County, is in the foothills of the Northeast Georgia Mountains, approximately 50 miles northeast of Atlanta. Dawsonville was incorporated December 10, 1859 and was named after William C. Dawson, a compiler of the laws of Georgia and commander of a brigade in the Creek Indian War of 1836. Dawson also served in both houses of the state legislature and in Congress before the Civil War.

The government of the City of Dawsonville is vested in a City Council composed of a mayor and four council members. Each member serves a four-year term of office and there are no limits on the amount of terms they may serve. The City has the authority to levy property tax on both real and personal property located within its boundaries.

The City provides many services including a water and sewer utilities, solid waste collection, cemetery services, maintenance of highways and streets, planning and zoning services, recreational facilities, and tourism event sponsorship.

The Downtown Development Authority of Dawsonville (DDA), a blended component unit of the City, was created by the City in 1996 to stimulate and sustain economic development in Downtown Dawsonville. The DDA works closely with downtown businesses and city leaders to ensure continued growth and investment into the downtown area while protecting our history and providing for the future.

The City of Dawsonville develops and adopts a balanced budget for each fiscal year. The Finance Administrator develops this document which is submitted to the Mayor and City Council for adoption. The City includes all governmental funds (General, SPLOST, Hotel/Motel Tax and Dawsonville Downtown Development Authority), and enterprise funds (Water/Sewage, and Solid Waste) in its budgeting process. Each fund is budgeted at the line item level but monitored at the legal level of control which is at the department level. The legal level of control is the level at which the budget must be balanced.

Local Economy

The economy within the City of Dawsonville has seen a steady and consistent improvement over the last several years.

Dawsonville is the only municipality located in Dawson County, situated in Northeast Georgia on two major state highways, Highway 53 and Highway 9, with Highway 400 in the County that opens a gateway for the Atlanta suburbs to expand north. The location of the City has been a major contributor to the growth of this community.

For the County, the North Georgia Premium Outlet Mall is the largest employer with approximately 1,050 to 1,200 employees throughout the year. The Dawson County Board of Education is the second largest employer with nearly 550 employees in the County.

The 2010 U.S. Census showed the City of Dawsonville grew more than 139% between 2000 and 2010, from 1,059 residents to 2,536. From 2010 forward, it is estimated that the City's population has grown to 4,227, which is a 1,691 (40%) increase from 2010. This population growth continues to impact all levels of service needs. Currently, the population of the City is estimated to be approximately 4,300 citizens. The growth rate of the population is estimated to be just over 5% for the next five years.

The housing and banking market in the area has increased dramatically withing the last three years due to a strong national and local economy which has produced record low interest rates. Residential developments continue to be developed in the area for families who are seeking more affordable housing outside of the Atlanta area. With an increase in residential development, the City continues to work toward providing amenities for it's citizens. To accommodate the residential growth of the area, the commercial building and construction activity in the City and surrounding area remains active. The increase in retail establishments is primarily at the Dawson 400 section of the County. The retail establishment impacted many factors of the local economy, including reducing the estimated unemployment rate from roughly 9.8% in 2010, to 3.0% in 2019, for Dawson County as a whole. Due to the onset of COVID-19 and the decrease in physical presence at the retail establishments, the unemployment rate increased to approximately 5.7% for Dawson County as a whole during 2020.

The City does not levy ad valorem taxes presently and has not historically. The City has maintained adequate revenues necessary for service delivery without the assessment of a City property tax.

Long-term Financial Planning

Unassigned fund balance in the General Fund is \$ 2,852,052 to provide cash flow throughout the year and as a buffer against unforeseen events. While the City feels it is financially healthy enough to cover unforeseen events, the Administration is working toward developing a formal minimum unassigned fund balance to reserve as a goal for their long-term liquidity management plan. Informally, the City strives to maintain at least six months of unassigned fund balance in reserve.

On November 4, 2014 Dawson County citizens approved the continuation of the Special Purpose Local Option Sales Tax (SPLOST). SPLOST VI collections began in July 2015 and will continue until June 2021. SPLOST VI will not be pre-funded. Therefore, the Mayor and City Council determine the project priority for SPLOST VI. Projects from SPLOST proceeds include sidewalks and revitalization of downtown and parking, city hall acquisition, and development of a recreational park, water and sewer projects, a farmer's market and purchasing public works equipment. The Mayor and City Council have designed these projects to improve the overall availability of resources, such as clean water, and recreational activities for the City's citizens. Each of these projects, except for the playground and the farmer's market which are complete, is underway or nearly complete as of June 30, 2020.

Relevant Financial Policies

In March of 2014, Standard and Poor's assigned a credit rating of "AA" (stable) to the City when the most recent revenue bonds were issued.

The Council amended the Financial Policy Manual (a guide to the management of the finances of the City) April 9, 2018 to include additional roles of personnel and improve other financial processes and policies within the operations of the City. These policies address fund balances, the use of one-time revenues, issuance of debt, purchasing and procurement, cash and investment management, accounting practices, and water and sewer billing. These policies were designed to provide assurance that the City can meet its fiduciary responsibility to its citizens. The Council reviews and updates these policies on an ongoing basis.

Major Initiatives

The City remains in the process of expanding a recreational facility and park for citizens to use. Each of the projects are time consuming. Certain phases were completed during the fiscal year with the final phases expected to be completed in the fiscal year ending June 30, 2021. In addition, the Mayor and Council continue to work diligently to resolve common criticisms from citizens, such as parking and traffic flow in the Historic Downtown Area. This, too, is a time-consuming project and requires devoted hours working with multiple agencies and regulatory authorities to accomplish. Additionally, a major goal from the Mayor and Council has been to provide transparency to the Citizens of the activities within the City. In doing so, the City makes available via live stream and replay video of Council Meetings including detailed minutes with time stamps for those seeking specific items within the agenda, as well as an updated, easy-to-use website.

Awards and Acknowledgements

The Governmental Finance Officers Association's (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dawsonville for fiscal year ended June 30, 2019. To be awarded a Certificate of Achievement, the government is required to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual financial report continues to meet the Certificate of Achievements Programs' requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR has been accomplished through the dedicated efforts of the entire staff in conjunction with the external audit firm Alexander, Almand & Bangs, LLP. Appreciation is also expressed to the Mayor and Council for their support and providing the resources needed to deliver quality services for Dawsonville's citizens.

Respectfully submitted,



Robert D. Bolz
City Manager



CITY OF DAWSONVILLE, GEORGIA
OFFICIALS AND ADMINISTRATION
As of June 30, 2020

ELECTED OFFICIALS

Mayor	Mike Eason
Mayor Pro-Tem	Stephen Tolson
Council Member	Caleb Phillips
Council Member	John Walden
Council Member	Stephen Tolson
Council Member	Mark French

APPOINTED OFFICIALS

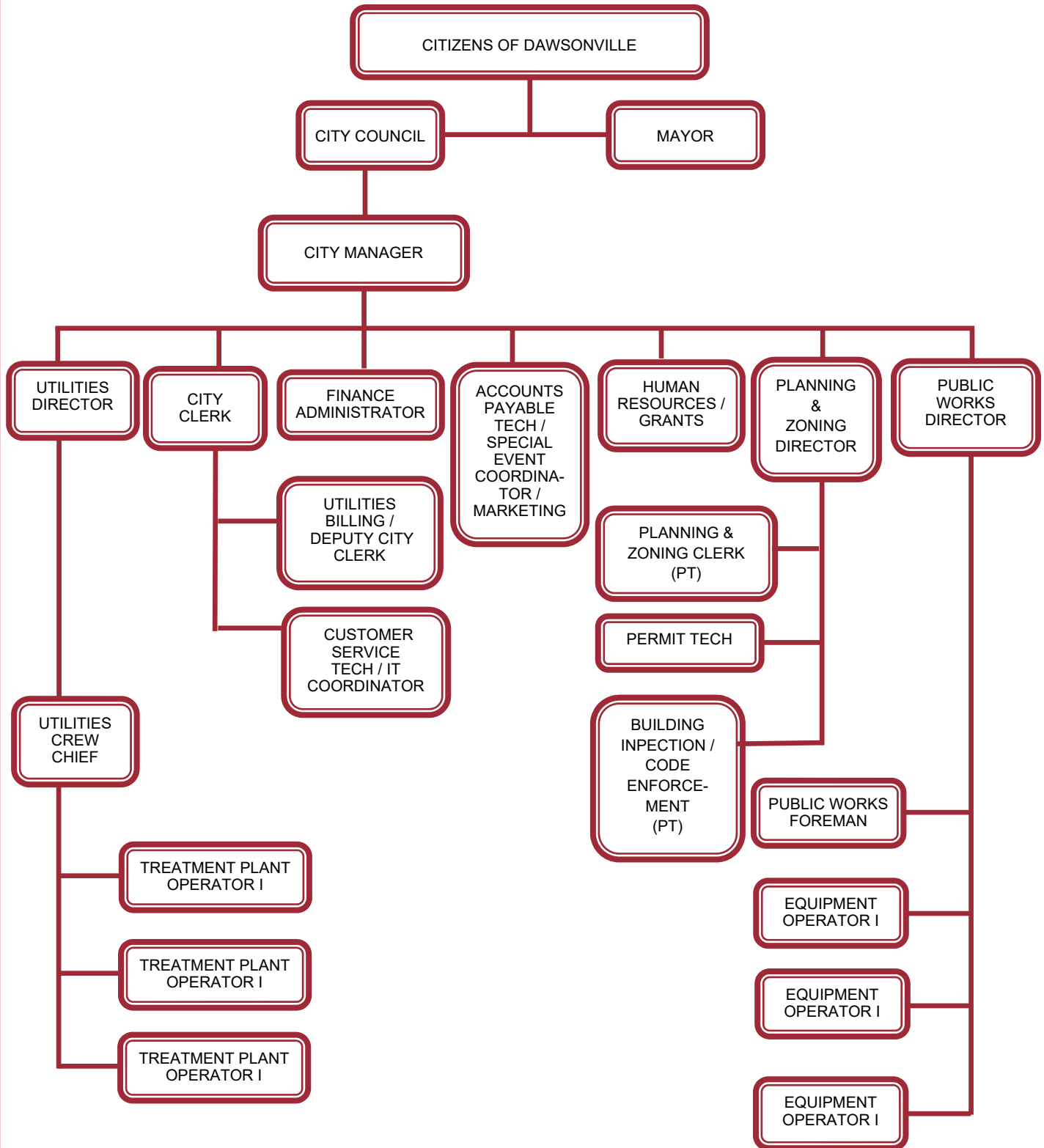
City Manager	Robert D. Bolz
City Clerk	Beverly Banister
Deputy City Clerk	Tracy Smith
City Attorney	Dana Miles

ADMINISTRATION

Utilities Director	Gary Barr
Public Works Director	Trampas Hansard
Planning Director	Unfilled
Finance Administrator	Hayden Wiggins
Human Resource Manager	Donna Blanton



CITY OF DAWSONVILLE, GEORGIA ORGANIZATION CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Dawsonville
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Dawsonville
Dawsonville, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dawsonville, Georgia as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dawsonville, Georgia as of June 30, 2020, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 3 -10, and the required Defined Benefit Retirement Plan Pension Schedules on pages 43 - 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dawsonville, Georgia's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedules of Functional Allocations for the Water, Sewer and Garbage fund, the Schedule of Revenues, Expenses and Changes in Net Position budget and actual for the Water, Sewer and Garbage fund and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedules of Functional Allocations for the Water, Sewer and Garbage fund and the Schedule of Revenues, Expenses and Changes in Net Position budget versus actual for the Water, Sewer and Garbage fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedules of Functional Allocations for the Water, Sewer and Garbage fund, and the Schedule of Revenues, Expenses and Changes in Net Position budget versus actual for the Water, Sewer and Garbage fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2020 on our consideration of the City of Dawsonville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dawsonville, Georgia's internal control over financial reporting and compliance.



Alexander, Almand & Bangs, LLP
Gainesville, Georgia
December 7, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Dawsonville, Georgia, we present our analysis of the City's financial condition and activities for the fiscal year ended June 30, 2020. This information should be read and considered in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

Financial highlights of the year include the following:

- The City of Dawsonville's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$ 21,916,810 (net position). Of this amount, \$ 5,943,158 was available for use to meet the City's ongoing obligations to its citizens and creditors.
- The City's net position increased by \$ 1,869,200 for general activities during the most recent fiscal year, resulting from governmental and business activities.
- The City's net investment in capital assets, increased \$ 2,822,030 or 22% during fiscal year ending June 30, 2020.
- There was a significant decrease of \$ 916,816 in the fund balance of the SPLOST Fund due to the continued improvements and park construction of the recreational area for the City residents. These projects remain underway and are partially in progress as of June 30, 2020.
- In early 2020, there was great uncertainty regarding the impact of COVID-19 closures and activity. The City was able to maintain and even exceed revenues from nearly all sources within the governmental and business-type activities. Overall, total government-wide net revenues increased by nearly 10%, while net expenditures only increased 7%. The City is proud of this accomplishment given the volatility of the last six months of the fiscal year due to COVID-19.
- Shortly after year-end, the City was able to early pay the remaining balance of the Capital Lease Payable in the amount of \$ 686,666.

More detailed information regarding activities and funds begins on page 5.

Overview of the Financial Statements

This City of Dawsonville's management discussion and analysis is intended to serve as an introduction to the basic financial statements. The City's basic financial statements include three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. These components are described below:

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Dawsonville's finances, in a manner like a private-sector business.

The statement of net position presents information on all the City's total assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position combines and consolidates the governmental funds current financial resources with capital assets and long-term obligations.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Dawsonville include general government, public safety, highways and streets, and other charges. The major business-type activity of the City includes the water, sewer, and garbage system.

The government-wide financial statements include a legally separate Dawsonville Downtown Development Authority, a component unit of the City. Financial information for the component unit is blended into the City's financial statements.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Dawsonville can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. These funds also include the component unit.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains five governmental funds – the general fund, a SPLOST fund, Downtown Development Authority ("DDA") and hotel-motel tax special revenue funds, and the permanent cemetery fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The general fund and SPLOST funds are considered major funds, while the cemetery fund, DDA fund, and the hotel-motel tax fund are considered non-major governmental funds.

The City of Dawsonville adopted a full year budget for the period ending June 30, 2020 for all of its funds. A budgetary comparison statement has been provided for the general fund, Downtown Development Authority ("DDA") fund, the hotel-motel tax fund, and the cemetery fund to demonstrate compliance with the budget.

Proprietary Funds

The City of Dawsonville maintains one proprietary enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in the proprietary statement of net position and the proprietary statement of revenues, expense, and changes in net position for the water, sewer, and garbage fund, which is considered a major proprietary fund.

Permanent Funds

The City of Dawsonville maintains one permanent fund for the cemetery. Permanent funds account for resources that are legally restricted to allow the earnings (and not the principle) to be used to support the governments programs such as cemeteries, libraries, parks, and scholarships.

Notes to the financial statements

Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in government-wide and the fund financial statements. The notes can be found immediately following the fund financial statements.

Other information

Required supplementary information is reported in addition to the basic financial statements and accompanying notes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

At June 30, 2020, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 21,916,810. By far the largest portion of the City's net position reflects its net investment in capital assets, less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens, and they are not available for future spending. Although the investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

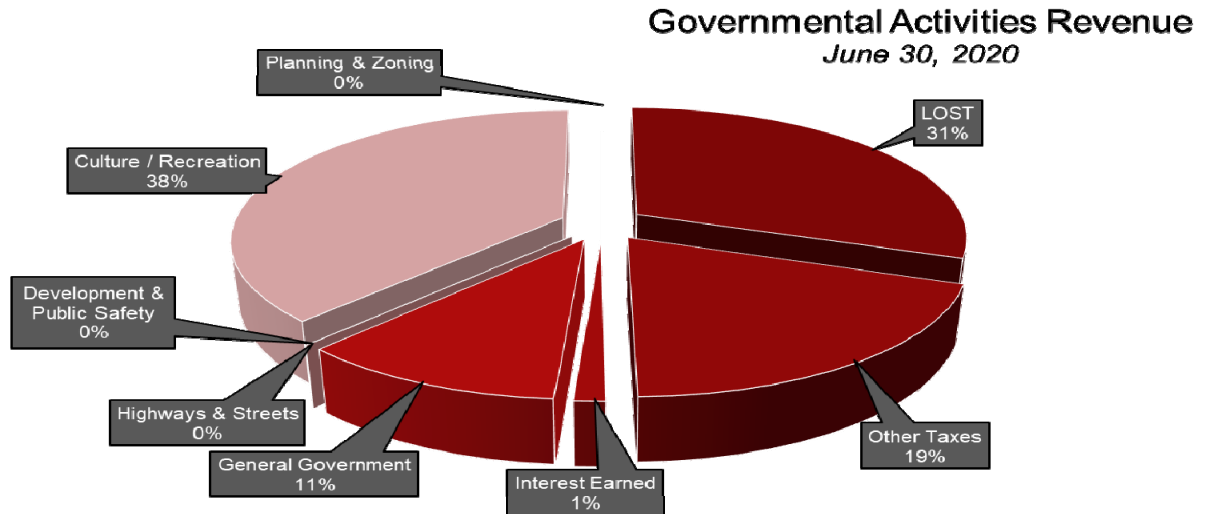
City of Dawsonville's Net Position

	Total	Total	Gov't'l	Gov't'l	Business	Business
	6/30/2020	6/30/2019	Activities	Activities	Type	Type
			6/30/2020	6/30/2019	Activities	Activities
					6/30/2020	6/30/2019
Current assets	\$ 7,254,184	\$ 7,718,061	\$ 3,453,063	\$ 4,866,731	\$ 3,801,121	\$ 2,851,330
Capital assets	21,336,471	19,126,684	9,389,854	7,115,439	11,946,617	12,011,245
Total assets	28,590,655	26,844,745	12,842,917	11,982,170	15,747,738	14,862,575
Deferred outflow s of resources	144,927	46,496	102,343	31,905	42,584	14,591
Other current liabilities	1,860,621	841,687	972,522	630,417	888,099	509,956
Long-term obligations	4,950,245	6,344,887	275,829	798,616	4,674,416	4,888,831
Total liabilities	6,810,866	7,186,574	1,248,351	1,429,033	5,562,515	5,398,787
Deferred inflow s of resources	7,906	15,812	5,583	10,850	2,323	4,962
Net position:						
Net investment in capital assets	15,675,817	12,853,787	8,636,438	5,993,804	7,039,379	6,859,983
Restricted for cemetery	200,597	198,628	200,597	198,628	-	-
Restricted for tourism	866	720	866	720	-	-
Restricted for capital projects	75,421	992,237	75,421	992,237	-	-
Restricted for DDA	20,951	35,389	20,951	35,389	-	-
Unrestricted	5,943,158	5,966,848	2,757,053	3,353,414	3,186,105	2,613,434
Total net position	<u>\$ 21,916,810</u>	<u>\$ 20,047,609</u>	<u>\$ 11,691,326</u>	<u>\$ 10,574,192</u>	<u>\$ 10,225,484</u>	<u>\$ 9,473,417</u>

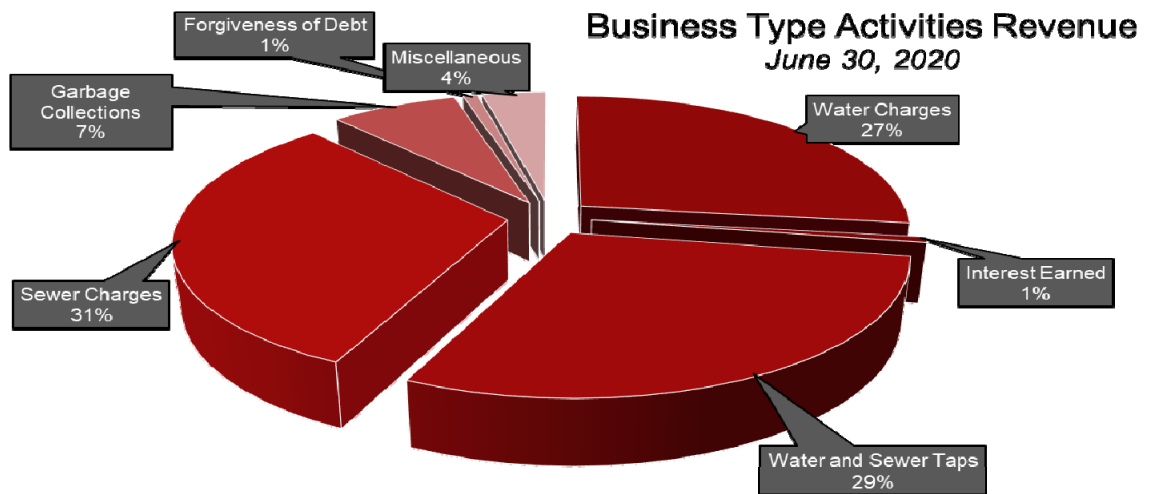
City of Dawsonville's Changes in Net Position (continued)

	<u>Total</u>	<u>Total</u>	<u>Govt'l</u>	<u>Govt'l</u>	<u>Business</u>	<u>Business</u>
	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>Activities</u>	<u>Activities</u>	<u>Type</u>	<u>Type</u>
			<u>6/30/2020</u>	<u>6/30/2019</u>	<u>Activities</u>	<u>Activities</u>
					<u>6/30/2020</u>	<u>6/30/2019</u>
Revenues:						
Program revenues:						
Charges for services	\$ 2,129,665	\$ 2,005,460	\$ 305,059	\$ 317,171	\$ 1,824,606	\$ 1,688,289
Operating grants & contributions	-	280	-	280	-	-
Capital grants & contributions	2,230,913	1,756,326	1,436,973	1,414,048	793,940	342,278
General revenues:						
Taxes	1,773,084	1,776,908	1,773,084	1,776,908	-	-
Interest	62,447	95,621	45,633	77,265	16,814	18,356
Total Revenues	6,196,109	5,634,595	3,560,749	3,585,672	2,635,360	2,048,923
Expenses:						
General government	1,226,733	1,332,954	1,226,733	1,332,954	-	-
Public safety	1,008	1,111	1,008	1,111	-	-
Public works	645,805	373,071	645,805	373,071	-	-
Culture/recreation	79,781	83,021	79,781	83,021	-	-
Planning and zoning	342,311	325,837	342,311	325,837	-	-
Development	36,318	50,489	36,318	50,489	-	-
Bond issuance costs	120,000	-	-	-	120,000	-
Interest on long-term debt	73,175	171,840	26,216	47,812	46,959	124,028
Water and sewer	1,801,778	1,695,526	-	-	1,801,778	1,695,526
Total Expense	4,326,909	4,033,849	2,358,172	2,214,295	1,968,737	1,819,554
Increase in net position before transfers	1,869,200	1,600,746	1,202,577	1,371,377	666,623	229,369
Transfers	-	-	(85,444)	(144,820)	85,444	144,820
Change in net position	1,869,200	1,600,746	1,117,133	1,226,557	752,067	374,189
Net position - beginning of year (original)	20,047,610	18,233,608	10,574,193	9,134,380	9,473,417	9,099,228
Special Item - prior period adjustment	-	213,256	-	213,256	-	-
Net position - beginning of year, restated	20,047,610	18,446,864	10,574,193	9,347,636	9,473,417	9,099,228
Net position - ending of year	\$ 21,916,810	\$ 20,047,610	\$ 11,691,326	\$ 10,574,193	\$ 10,225,484	\$ 9,473,417

Revenues by Source:



For fiscal year 2020, total revenues for governmental activities decreased 0.7% compared to fiscal year 2019 due to decrease in interest earned in the general fund. Proceeds from SPLOST and LOST are consistent with 2019 even with COVID at the end of the fiscal the year. Other taxes received in the general fund primarily consisted of Local Option Sales Taxes (LOST), taxes assessed through services such as utilities and insurance, and title ad valorem taxes. In addition to consumers purchasing more generic goods, they are also purchasing more vehicles, resulting in an increase in title ad valorem taxes received by the City. Taxes received through utilities and insurance are based on the population receiving the certain service within the City’s annexed properties. The population assessed has grown due to the additional annexations of properties during the 2020 year, and therefore has impacted the City in a financially beneficial manner.

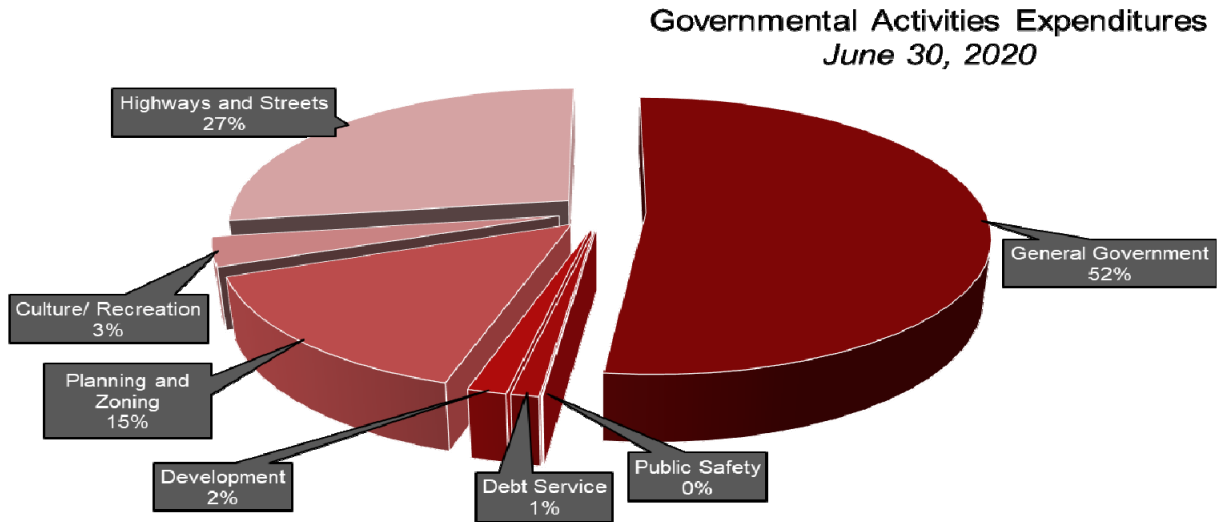


For fiscal year 2020, total revenues for business-type activities increased 28.6% compared to fiscal year 2019 due to the increase in water/sewer charge revenue, slight increase in garbage collection revenue, as well as a significant increase in water/sewer tap fees. Forgiveness of debt is based on the amount of GEFA (Georgia Environmental Finance Authority) loans drawn for projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

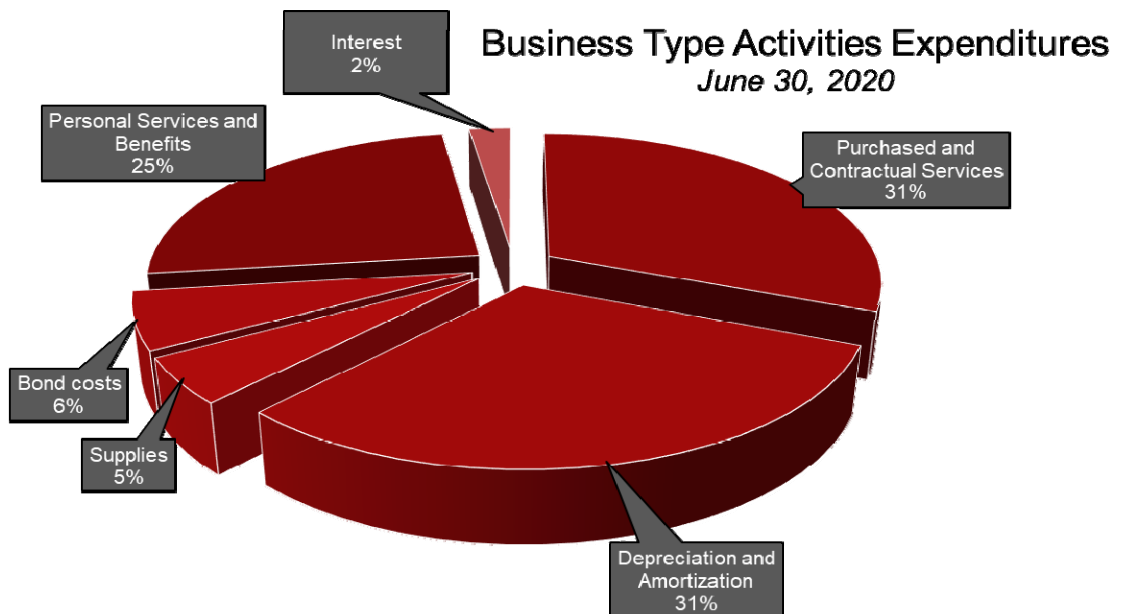
Changes from the City’s General Fund original budget to the final budget are detailed in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual along with a comparison to actual activity for the year ended June 30, 2020. Fiscal management and expenditure control helped keep the budget in balance.

General Fund revenues of \$ 2,183,000 were greater than budgeted revenues of \$ 2,174,484 for the year ended June 30, 2020. General Fund expenditures were less than budgeted. With total appropriations of \$ 2,950,065 the City actually spent \$ 2,734,739 or \$ 215,326 less than budgeted, for the year ended June 30, 2020.



Expenditures by Function:

For fiscal year 2020, total expenditures for governmental activities increased 17.8% compared to fiscal year 2019 due to staffing positions and wages added in the prior year, as well as professional fees and costs of recreational facilities for the continued construction of the park.



For fiscal year 2020, total expenditures increased 7.6% for business-type activities compared to fiscal year 2019 due to additional depreciation expense for construction projects placed in service, interest payments on loans, and new staffing positions and wages. In addition, the City incurred bond issuance costs for the refinancing of the City's revenue bonds.

The City was very fortunate during the last six months of the fiscal year because they were able to adapt to the constraints of COVID-19 across all funds, maintain activities such as planning & zoning, permits, water/sewer, etc. In doing so, the City was only minimally effected and were able to fully continue operations and meet the demands of the citizens. Adaption procedures implemented to address COVID-19 includes minimizing traffic and personnel within the physical offices and departments, including enhancing reliability on electronic processes and documentation.

ECONOMIC FACTORS

The issues facing the national and state economies correlate with the City's local economy. Currently the State of Georgia, especially the Northeast Region, is experiencing a significant economic growth period. This is attributed to the increased film production activity and corporate distribution/manufacturing facilities that are conducting business within the surrounding Region. The increased activities have created a greater demand for housing. Therefore, the City has seen a significant increase in requests for permits and local licensing for both new homes and commercial building construction. In addition, this has increased the needs for additional water and sewer systems, as well as general government services. The increase in demand for services will also provide increased revenues for the City. The City plans to maintain a conservative fiscal position, while increasing services, during the economic growth period.

CAPITAL ASSETS

As of June 30, 2020, and 2019 the City had \$ 30,670,990 and \$ 27,585,483 invested in a variety of capital assets, as in the schedule below. Adjustments for depreciation are \$ 875,721 and \$ 823,457 for the years ending June 30, 2020 and 2019. Adjustments for accumulated depreciation are \$ 9,334,519 and \$ 8,458,799 for the years ending June 30, 2020 and 2019. Further detail on capital assets is provided in the notes to the financial statements, note 2D.

	Total	Total	Gov't	Gov't	Business	Business
	6/30/2020	6/30/2019	Activities	Activities	Type	Type
			6/30/2020	6/30/2019	Activities	Activities
					6/30/2020	6/30/2019
Land	\$ 4,251,689	\$ 4,170,689	\$ 1,072,394	\$ 991,394	\$ 3,179,295	\$ 3,179,295
Artifacts	49,751	49,751	49,751	49,751	-	-
Construction in progress	3,691,034	2,016,321	3,144,590	2,016,321	546,444	-
Buildings	4,884,997	3,838,701	4,626,150	3,579,854	258,847	258,847
Improvements	32,825	32,825	32,825	32,825	-	-
Vehicles	310,929	243,454	243,979	176,504	66,950	66,950
Equipment	629,882	629,882	133,954	133,954	495,928	495,928
Infrastructure	2,873,134	2,657,111	2,873,134	2,657,111	-	-
Water and Sewer System	13,022,826	13,022,826	-	-	13,022,826	13,022,826
Sewer Treatment Plant	923,923	923,923	-	-	923,923	923,923
Total	30,670,990	27,585,483	12,176,777	9,637,714	18,494,213	17,947,769

The following reconciliation summarizes the change in Capital Assets:

	Total	Total	Gov't	Gov't	Business	Business
	6/30/2020	6/30/2019	Activities	Activities	Type	Type
			6/30/2020	6/30/2019	Activities	Activities
					6/30/2020	6/30/2019
Beginning Balance:	27,585,483	25,122,396	9,637,714	7,977,930	17,947,769	17,144,466
Additions:						
Land	81,000	-	81,000	-	-	-
Construction in Progress	1,817,942	1,739,681	1,271,498	1,739,681	546,444	-
Buildings	1,046,296	101,034	1,046,296	72,653	-	28,381
Vehicles	67,475	-	67,475	-	-	-
Equipment	-	14,480	-	14,480	-	-
Infrastructure	216,023	64,341	216,023	64,341	-	-
Water and Sewer System	-	2,686,153	-	-	-	2,686,153
Dispositions:						
Construction in Progress	(143,229)	(1,911,231)	(143,229)	-	-	(1,911,231)
Improvements	-	(9,540)	-	(9,540)	-	-
Vehicles	-	(48,640)	-	(48,640)	-	-
Equipment	-	(154,979)	-	(154,979)	-	-
Infrastructure	-	(18,212)	-	(18,212)	-	-
Water and Sewer System	-	-	-	-	-	-
Total	\$ 30,670,990	\$ 27,585,483	\$ 12,176,777	\$ 9,637,714	\$ 18,494,213	\$ 17,947,769

LONG-TERM OBLIGATIONS

As of year-end, the City had \$ 5,660,654 in debt (bonds, notes, etc.) outstanding compared to \$ 6,272,897 last year. The components which had an impact on the City's overall debt are shown below:

- The City made a final payment of \$ 297,943 for the Series 2014 capital lease obligation for land adjacent to the Dawsonville Development Authority Complex.
- The Downtown Development Authority issued Series 2019 Revenue Bonds in the amount of \$ 3,735,000 for the redemption (refinancing) of the Series 2014 Revenue Bonds. The \$ 3,735,000 was used for \$ 120,000 bond issuance costs and \$ 3,615,000 paid the balance of the Series 2014 Bonds. The interest rates on the Series 2019 Revenue Bonds is 1.90% and matures on February 1, 2033 the same as the Series 2014 Revenue Bonds. The projected gross savings for refinancing the Series 2014 Bonds is \$ 217,839 through maturity.
- Subsequent to year-end, the City made a final payment for the Series 2005 revenue bonds, reducing the obligations by \$ 686,666.
- The normal debt service principal payments were \$ 4,413,304. Principal payments of \$ 434,280 and \$ 3,979,024 (including loan forgiveness of \$ 22,440) were made in the governmental and business-type activities, respectively.

See the Notes to the Financial Statements on pages 37 through 40 for more detail on the City's outstanding debt.

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the City of Dawsonville's finances for all of Dawsonville's residents, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the City Clerk, c/o City of Dawsonville, P. O. Box 6, Dawsonville, Georgia 30534.

FINANCIAL SECTION
Basic Financial Statements

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CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,551,663	\$ 3,475,430	\$ 6,027,093
Accounts receivable	357,257	125,614	482,871
Internal balances	(13,787)	13,787	-
Prepaid items	26,320	29,004	55,324
Restricted assets:			
Cash and cash equivalents	531,610	157,286	688,896
Total current assets	<u>3,453,063</u>	<u>3,801,121</u>	<u>7,254,184</u>
Non-current assets			
Capital assets, non-depreciable			
Land	1,072,394	3,179,295	4,251,689
Construction in progress	3,144,590	546,444	3,691,034
Artifacts	49,751	-	49,751
Capital assets, depreciable (net of depreciation)	<u>5,123,119</u>	<u>8,220,878</u>	<u>13,343,997</u>
Total non-current assets	<u>9,389,854</u>	<u>11,946,617</u>	<u>21,336,471</u>
TOTAL ASSETS	<u>12,842,917</u>	<u>15,747,738</u>	<u>28,590,655</u>
DEFERRED OUTFLOWS OF RESOURCES			
Retirement contributions	<u>102,343</u>	<u>42,584</u>	<u>144,927</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 12,945,260</u></u>	<u><u>\$ 15,790,322</u></u>	<u><u>\$ 28,735,582</u></u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	\$ 276,856	\$ 402,657	\$ 679,513
Current portion, capital lease	686,666	-	686,666
Current portion, notes payable	9,000	331,272	340,272
Customer deposits payable from restricted assets	-	154,170	154,170
Total current liabilities	<u>972,522</u>	<u>888,099</u>	<u>1,860,621</u>
Long-term liabilities:			
Compensated absences (due within one year)	43,386	25,762	69,148
Long-term debt, notes payable	57,750	4,575,966	4,633,716
Net pension liability	174,693	72,688	247,381
Total long-term liabilities	<u>275,829</u>	<u>4,674,416</u>	<u>4,950,245</u>
Total liabilities	<u>1,248,351</u>	<u>5,562,515</u>	<u>6,810,866</u>
DEFERRED INFLOWS OF RESOURCES			
Retirement adjustments	<u>5,583</u>	<u>2,323</u>	<u>7,906</u>
NET POSITION			
Net investment in capital assets	8,636,438	7,039,379	15,675,817
Restricted for:			
Cemetery	200,597	-	200,597
Development	21,817	-	21,817
Capital projects	75,421	-	75,421
Unrestricted	<u>2,757,053</u>	<u>3,186,105</u>	<u>5,943,158</u>
Total net position	<u>11,691,326</u>	<u>10,225,484</u>	<u>21,916,810</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 12,945,260</u></u>	<u><u>\$ 15,790,322</u></u>	<u><u>\$ 28,735,582</u></u>

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,226,733	\$ 138,406	\$ -	\$ 85,359
Public safety	1,008	-	-	-
Public works	645,805	-	-	-
Culture/recreation	79,781	-	-	1,351,614
Planning and zoning	342,311	166,653	-	-
Development	36,318	-	-	-
Interest on long term debt	26,216	-	-	-
Total Government Activities	2,358,172	305,059	-	1,436,973
Business-Type Activities				
Water, sewer and garbage	1,968,737	1,824,606	-	793,940
Total Business-Type Activities	1,968,737	1,824,606	-	793,940
Total-Primary Government	\$ 4,326,909	\$ 2,129,665	\$ -	\$ 2,230,913

GENERAL REVENUES:

Taxes: Sales
Alcoholic Beverage
Franchise
Other

Interest earned

TRANSFERS:

Total general revenues and transfers

Change in net position

NET POSITION - beginning

NET POSITION - end of year

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

<u>Net (Expense) Revenue and Changes In Net Position</u>		
<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (1,002,968)	\$ -	\$ (1,002,968)
(1,008)	-	(1,008)
(645,805)	-	(645,805)
1,271,833	-	1,271,833
(175,658)	-	(175,658)
(36,318)	-	(36,318)
(26,216)	-	(26,216)
<u>(616,140)</u>	<u>-</u>	<u>(616,140)</u>
<u>-</u>	<u>649,809</u>	<u>649,809</u>
<u>-</u>	<u>649,809</u>	<u>649,809</u>
<u>(616,140)</u>	<u>649,809</u>	<u>33,669</u>
1,083,319	-	1,083,319
117,295	-	117,295
212,912	-	212,912
359,558	-	359,558
45,633	16,814	62,447
(85,444)	85,444	-
<u>1,733,273</u>	<u>102,258</u>	<u>1,835,531</u>
1,117,133	752,067	1,869,200
<u>10,574,193</u>	<u>9,473,417</u>	<u>20,047,610</u>
<u>\$ 11,691,326</u>	<u>\$ 10,225,484</u>	<u>\$ 21,916,810</u>

CITY OF DAWSONVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General	SPLOST	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,551,663	\$ -	\$ -	\$ 2,551,663
Receivables (net):				
Intergovernmental receivable	124,235	232,515	507	357,257
Due from other funds	467,156	-	1,861	469,017
Prepaid items	26,320	-	-	26,320
Restricted assets:				
Cash and cash equivalents	-	309,632	221,978	531,610
TOTAL ASSETS	<u>3,169,374</u>	<u>542,147</u>	<u>224,346</u>	<u>3,935,867</u>
LIABILITIES				
Accounts payable	234,429	-	1,502	235,931
Salaries payable	35,925	-	-	35,925
Deposits payable	5,000	-	-	5,000
Due to other funds	15,648	466,726	430	482,804
Total liabilities	<u>291,002</u>	<u>466,726</u>	<u>1,932</u>	<u>759,660</u>
FUND BALANCE				
Non-spendable:				
Prepaid items	26,320	-	-	26,320
Restricted:				
Permanent funds	-	-	200,597	200,597
Special revenue funds	-	-	21,817	21,817
Capital outlay	-	75,421	-	75,421
Unassigned:	2,852,052	-	-	2,852,052
Total Fund Balances	<u>2,878,372</u>	<u>75,421</u>	<u>222,414</u>	<u>3,176,207</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,169,374</u>	<u>\$ 542,147</u>	<u>\$ 224,346</u>	<u>\$ 3,935,867</u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2020

TOTAL GOVERNMENTAL FUND BALANCES		\$ 3,176,207
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	\$ 12,176,777	
Accumulated depreciation	<u>(2,786,923)</u>	
Total capital assets, net depreciation		9,389,854
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Compensated absences payable	(43,386)	
Capital lease	(686,666)	
Notes payable	(66,750)	
Net pension liability	<u>(174,693)</u>	
Total liabilities		(971,495)
Retirement adjustments due to implementation of GASB # 68		
Deferred outflows of resources	102,343	
Deferred inflows of resources	<u>(5,583)</u>	
		<u>96,760</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 11,691,326</u></u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,768,142	\$ -	\$ 4,942	\$ 1,773,084
Charges for services	78,577	-	17,660	96,237
Intergovernmental	85,359	1,351,614	-	1,436,973
Licenses and permits	166,653	-	-	166,653
Contributions and donations	-	-	-	-
Interest earned	42,099	1,857	1,677	45,633
Rental income	42,170	-	-	42,170
	<u>2,183,000</u>	<u>1,353,471</u>	<u>24,279</u>	<u>3,560,750</u>
Total Revenues				
EXPENDITURES				
Current operating:				
General government	1,016,800	-	-	1,016,800
Public safety	1,008	-	-	1,008
Public works	543,950	-	17,368	561,318
Culture/recreation	801,640	-	-	801,640
Planning and zoning	359,341	-	-	359,341
Development	12,000	-	19,234	31,234
Capital outlay	-	1,723,658	-	1,723,658
Debt service:	-	461,185	-	461,185
	<u>2,734,739</u>	<u>2,184,843</u>	<u>36,602</u>	<u>4,956,184</u>
Total Expenditures				
EXCESS REVENUES (EXPENDITURES)	(551,739)	(831,372)	(12,323)	(1,395,434)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	(85,444)	-	(85,444)
	<u>-</u>	<u>(85,444)</u>	<u>-</u>	<u>(85,444)</u>
NET CHANGE IN FUND BALANCES	(551,739)	(916,816)	(12,323)	(1,480,878)
FUND BALANCES - beginning	<u>3,430,111</u>	<u>992,237</u>	<u>234,737</u>	<u>4,657,085</u>
FUND BALANCES - end of year	<u>\$ 2,878,372</u>	<u>\$ 75,421</u>	<u>\$ 222,414</u>	<u>\$ 3,176,207</u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ (1,480,878)

Amounts reported for governmental activities in the
statement of activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense.
This is the amount by which capital outlay exceeds depreciation
expense in the current period.

Depreciation expense	\$ (264,649)	
Capital outlay reported in general government function	<u>2,472,313</u>	2,207,664

Governmental funds include the cost of principal debt reduction as an
expenditure which is not included in the statement of activities. 434,969

Governmental funds do not include the expense of compensated
absences liabilities, which are reflected in the statement of
net position.

Current year liability - compensated absences	(43,386)	
Prior year liability - compensated absences	<u>30,708</u>	(12,678)

Governmental funds do not include the expense of pension
contributions.

Pension contributions	75,704	
Change in net pension liability	<u>(107,648)</u>	<u>(31,944)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,117,133

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 1,806,519	\$ 1,806,519	\$ 1,768,142	\$ (38,377)
Charges for services	51,100	51,100	78,577	27,477
Licenses and permits	140,400	140,400	166,653	26,253
Intergovernmental revenues	76,440	76,440	85,359	8,919
Interest earned	45,000	45,000	42,099	(2,901)
Rental income	55,025	55,025	42,170	(12,855)
	<u>2,174,484</u>	<u>2,174,484</u>	<u>2,183,000</u>	<u>8,516</u>
EXPENDITURES				
Current operating:				
General government	1,119,916	1,126,031	1,016,800	109,231
Public safety	2,000	2,000	1,008	992
Public works	506,484	548,846	543,950	4,896
Culture/recreation	108,940	836,044	801,640	34,404
Planning and zoning	382,644	382,644	359,341	23,303
Development	54,500	54,500	12,000	42,500
	<u>2,174,484</u>	<u>2,950,065</u>	<u>2,734,739</u>	<u>215,326</u>
TOTAL REVENUES OVER EXPENDITURES	<u>-</u>	<u>(775,581)</u>	<u>(551,739)</u>	<u>223,842</u>
OTHER FINANCING SOURCES (USES)				
Contingency	-	775,581	-	(775,581)
Transfers in (out)	-	-	-	-
	<u>-</u>	<u>775,581</u>	<u>-</u>	<u>(775,581)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>775,581</u>	<u>-</u>	<u>(775,581)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(551,739)</u>	<u>\$ (551,739)</u>
FUND BALANCES - beginning			<u>3,430,111</u>	
FUND BALANCES - end of year			<u>\$ 2,878,372</u>	

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
June 30, 2020

	<u>Total Water, Sewer & Garbage Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,475,430
Receivables (net of allowance for uncollectible):	
Accounts	125,614
Due from general fund	13,787
Prepaid expense	29,004
Restricted assets:	
Cash and cash equivalents	<u>157,286</u>
Total current assets	<u>3,801,121</u>
Non-current assets:	
Capital assets:	
Nondepreciable capital assets	3,179,295
Construction in progress	546,444
Depreciable capital assets, net	<u>8,220,878</u>
Total non-current assets	<u>11,946,617</u>
TOTAL ASSETS	15,747,738
DEFERRED OUTFLOWS OF RESOURCES	
Retirement contributions	<u>42,584</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 15,790,322</u></u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
June 30, 2020

	<u>Total Water, Sewer & Garbage Fund</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 358,003
Accrued expenses	15,299
Accrued interest payable	29,355
Current portion of long-term debt	331,272
Customer deposits - payable from restricted assets	<u>154,170</u>
Total current liabilities	<u>888,099</u>
Long-term liabilities:	
Compensated absences (due within one year)	25,762
Long-term debt (net of current portion)	4,575,966
Net pension liability	<u>72,688</u>
Total long-term liabilities	<u>4,674,416</u>
TOTAL LIABILITIES	<u>5,562,515</u>
DEFERRED INFLOWS OF RESOURCES	
Retirement adjustments	<u>2,323</u>
NET POSITION	
Net investment in capital assets	7,039,379
Unrestricted	<u>3,186,105</u>
TOTAL NET POSITION	<u>10,225,484</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 15,790,322</u></u>

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2020

	<u>Total Water, Sewer & Garbage Fund</u>
OPERATING REVENUES	
Charges for services	\$ 1,728,133
Miscellaneous	<u>96,473</u>
Total operating revenues	<u>1,824,606</u>
OPERATING EXPENSES	
Personnel services and benefits	483,906
Purchased and contractual services	609,838
Supplies	96,962
Depreciation	<u>611,072</u>
Total operating expenses	<u>1,801,778</u>
OPERATING INCOME (LOSS)	<u>22,828</u>
NON-OPERATING INCOME (LOSS)	
Bond issuance costs	(120,000)
Interest and other fiscal charges	(46,959)
Interest earned	<u>16,814</u>
Total non-operating income (loss)	<u>(150,145)</u>
CAPITAL CONTRIBUTIONS	
Tap connection fees and other	771,500
Forgiveness of debt	<u>22,440</u>
Total capital contributions	<u>793,940</u>
INCOME (LOSS) BEFORE TRANSFERS	666,623
Transfers in (out)	<u>85,444</u>
CHANGE IN NET POSITION	752,067
NET POSITION - beginning of year	<u>9,473,417</u>
NET POSITION - end of year	<u><u>\$ 10,225,484</u></u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF CASH FLOWS
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2020

	<u>Total Water, Sewer & Garbage Fund</u>
Cash flows from operating activities:	
Cash receipts from customers	\$ 1,782,498
Cash receipts from other operating sources	96,473
Cash payments for goods and services	(388,964)
Cash payments to employees for services and benefits	<u>(474,046)</u>
Net cash provided by (used in) operating activities	<u>1,015,961</u>
Cash flows from capital and related financing activities:	
Receipts from other funds	85,444
Acquisition, construction and disposal of capital assets, net	(546,444)
Proceeds from tap fees	771,500
Proceeds from debt	3,615,000
Principal paid on debt	(3,956,584)
Interest paid on debt	<u>(46,959)</u>
Net cash provided by (used in) capital and related financing activities	<u>(78,043)</u>
Cash Flows from investing activities:	
Interest received	<u>16,814</u>
Net cash provided by investing activities	<u>16,814</u>
Net increase (decrease) in cash and cash equivalents	954,732
Cash and equivalents - beginning of year	<u>2,677,984</u>
Cash and equivalents - end of year	<u><u>\$ 3,632,716</u></u>
 SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:	
Bond issuance costs	\$ 120,000
Forgiveness of debt	<u>22,440</u>
Total non-cash investing and financing activities	<u><u>\$ 142,440</u></u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF CASH FLOWS (CONT'D)
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2020

	<u>Total Water, Sewer & Garbage Fund</u>
Reconciliation of operating gain (loss) to net cash provided by (used in) operating activities:	
Operating income	\$ 22,828
Adjustments	
Depreciation	611,072
(Increase) decrease in assets and deferred outflows of resources	
Accounts receivable	23,605
Prepaid expense	(4,877)
Due from general fund	(13,787)
Deferred outflows	(27,993)
Increase (decrease) in liabilities and deferred inflows of resources	
Accounts payable	338,893
Customer deposits	29,385
Accrued expenses	3,337
Accrued interest payable	(12,412)
Compensated absences payable	6,523
Deferred inflows	(2,639)
Net pension liability	42,026
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	<u>\$ 1,015,961</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents	\$ 3,475,430
Cash and cash equivalents - restricted	<u>157,286</u>
Total cash and cash equivalents	<u>\$ 3,632,716</u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Narrative Profile

The financial statements of the City of Dawsonville, Georgia (“the City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applicable to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City’s significant accounting policies are described below:

B. Financial Reporting Entity

The City of Dawsonville, Georgia, was incorporated in 1859 and operates under the appointed Mayor and City Council form of government. The City provides the following services to its citizens: the general government, public safety, public works, culture and recreation, planning and zoning, and housing and development services, including tourism. In addition, the City operates public utilities (water, sewer and garbage) for most areas incorporated within the City limits as well as some immediate surrounding areas.

As required by the accounting principles generally accepted in the United States, the financial statements of the financial reporting entity present the City as the primary form of government and its component units (entities for which the government is considered to be financially accountable).

Blended Component Unit:

Dawsonville Downtown Development Authority

The Dawsonville Downtown Development Authority (the “Authority”) began in 1996 when the Mayor and City Council of Dawsonville approved the obligation of the City to the Dawsonville Downtown Development Authority for the revitalization and redevelopment of the central business district for Dawsonville. As required by the Official Code of Georgia Annotated (O.C.G.A.) Section 36-42-4, the Mayor and City Council of Dawsonville selected 7 members to the Board of Directors for the Authority. The directors, according to law, are to be appointed by the City Council and should consist of the following: 2 directors for a term of 2 years each, 2 directors for a term of 4 years each, and 3 directors for a term of 6 years each. In addition, appointed directors may also be elected City Council officials serving concurrently.

The Dawsonville Downtown Development Authority serves the City solely and receives substantially all its revenues from the City. Because the Authority cannot stand alone without the support of the City, and all members of its Board of Directors are appointed by the City Council, it is considered a blended component unit to the City. The Authority is not a separate legal entity, therefore, the financial position, sources of revenues and uses of resources of the Authority are presented as a special revenue fund in the City’s financial statements. The financial statements for the Dawsonville Downtown Development Authority can be obtained at the following address:

Dawsonville Municipal Complex
415 Highway 53 East
Dawsonville, GA 30534

C. Basic Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Fiduciary activities are not included at the government-wide reporting level. The focus of the reporting model is on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basic Financial Statements (cont'd)

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from licenses and permits fees, service assessments, and charges for services. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function or business-type activity) is normally covered by general revenue (sales or use taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the substantiality of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The flow of economic resources measurement focus is used for both government-wide financial statements.

The fund financial statements are, in substance, very similar to the financial statements presented government-wide focus. However, emphasis is on the major funds in either the governmental or business-type categories. Non-major funds (by category or fund type) are summarized into a single column.

Unless an internal service fund is combined with the business-type activities (deemed to be an infrequent event), totals on the proprietary fund statements should directly reconcile to the business-type activity column presented in the government-wide statements.

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the way these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the City's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, reconciliation is presented either on the fund statement or on the page following each statement which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The focus of the current financial resources model is on the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

D. Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The model as defined in GASB Statement No. 34 establishes criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a single column in the fund financial statements. The City reports the following major funds:

Governmental Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Basis of Presentation (cont'd)

Capital Projects Fund: The Capital Projects Fund consists of the Special Purpose Local Option Sales Tax (“SPLOST”) fund which is used to account for the receipt and expenditures related to capital construction projects using SPLOST funds collected.

Proprietary Funds: The Water, Sewer and Garbage Fund is an enterprise fund. It is for the operation of the City’s water and sewer utility and garbage collection service. Activities of the fund include administration, operation, and maintenance of the water and sewer system, garbage collection and disposal system, as well as billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds and obligations under capital leases when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure longevity of the Fund.

1. Non-major Governmental Funds

Special Revenue Fund: This includes the Hotel-Motel Tax Fund which is used to account for the receipt of hotel-motel tax revenues. These funds are used to support tourism. This also includes DDA Funds that are used to support housing and development. The special revenue funds are represented together as “development services” in the basic financial statements but separated for analysis in some supplementary schedules. The City legally adopts an annual balanced budget for the special revenue funds.

Permanent Fund: The City reports one Permanent Fund for the cemetery. Permanent Funds account for resources that are legally restricted to allow the earnings (and not the principle) to be used to support the governments programs, such as cemeteries, libraries, parks, and scholarships. The City legally adopts an annual balanced budget for the cemetery fund.

2. Non-Current Governmental Assets/Liabilities

E. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The Government-wide Financial Statements and the Proprietary Combining Financial Statements are presented on an accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis.

Accrual: Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual: All Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City defines the length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements to be 60 days.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Basis of Accounting (cont'd)

The City recognizes sales tax revenue on a modified accrual basis. Intergovernmental grant revenues, entitlements, and contributions are recognized in the year in which all eligibility requirements are met. In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and as deferred revenue by the recipient.

Proprietary Funds, which employ the economic resources measurement focus, distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the Proprietary Fund's ongoing operations. The principal operating revenues of the City's Proprietary Funds are charges to customers for sales and services. Operating expenses for Proprietary Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses, transfers, or capital contributions.

F. Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Finance Administrator submits to the Mayor and Council a proposed operating budget for the calendar year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The current year period budget was adopted for the fiscal year July 1, 2019 to June 30, 2020.
2. The Council holds a public hearing on the budget, giving notice thereof at least seven days in advance by publication in the official organ of the City of Dawsonville.
3. The budget is then revised and adopted or amended by the Council at the first regular meeting in July of the year to which it applies.
4. The budget so adopted may be revised during the year "only" by formal action of the Council in a regular meeting and no increase shall be made therein without provision also being made for financing the increase.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. The level of budgetary control is at the functional and department level. Budgets for the General Fund and Water and Sewer Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Budgeted amounts are as originally adopted or as amended by the Council. The current year's budget may be adjusted to reflect changes in the local economy, changes in priorities or service needs, receipt of unbudgeted revenues, non-receipt of anticipated revenues and for unanticipated expenditures.

G. Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position

1. Cash, Cash Equivalents, and Investments

For purposes of the Statements, the City considers cash and cash equivalents (including restricted cash and cash equivalents) to be currency on hand, and liquid investments with a maturity of three months or less when purchased.

Cash and cash equivalents are included in both unrestricted as well as restricted assets.

Investments include pooled investments and certificates of deposit (with maturities of three months or greater). Investments and certificates of deposit are reported at fair value.

The City does not maintain an investment policy that limits its investment choices. However, Georgia law authorizes the City to invest under the general provisions of O.C.G.A. Title 36 Chapters 80-98.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position (cont'd)

2. Inventories

Expendable supplies are recorded as expenditures at the time the items are purchased. The City does not record inventories of supplies at year end due to the lack of materiality.

3. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

4. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash, cash equivalents, and certificates of deposit set aside for repayment of deposits to utility customers and cash funds required to be maintained by the bond.

5. Property Taxes

The City does not levy property taxes.

6. Capital Assets

General capital assets are those assets not specifically related to activities reported in the Proprietary Funds. These assets generally result from expenditures in Governmental Funds. The City reports these assets in the governmental activities column of the Government-wide Statement of Net Position but does not report these assets in the Governmental Fund financial statements. Capital assets utilized by Proprietary Funds are reported both in the business-type activities column of the Government-wide Statement of Net Position and in the Proprietary Fund's Statement of Net Position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$ 5,000. The City's infrastructure consists of roads, bridges, and water lines. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed in the period incurred. Interest incurred during the construction of capital assets utilized by the Proprietary Fund is capitalized.

All reported capital assets are depreciated except for land, artifacts, right-of-ways, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position (cont'd)

6. Capital Assets (cont'd)

Depreciation is computed using the straight-line method for all real property and primarily straight line with other methods used periodically for equipment over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Building and Improvements	20-50 years	20-50 years
Machinery and Equipment	5-10 years	5-10 years
Vehicles	5-7 years	5-7 years
Infrastructure	15-40 years	25-65 years
Water/Sewer System and Plant	-	25-60 years

7. Compensated Absences

Employees earn personal leave based on 26 bi-weekly payroll periods per year at the rate of 6 hours per bi-weekly payroll period for the first 5 years of employment, 8 hours per bi-weekly payroll period for 5 to 10 years of continuous service, and 10 hours per bi-weekly payroll period for over 10 years of continuous service. Personal leave cannot be accrued in excess of 240 hours. Employees may be compensated for excess personal leave up to 80 hours per year provided they have banked a minimum of 120 hours of personal leave.

Personal leave benefits are accrued as a liability as the benefits are earned, if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employee for the benefits through paid time off or some other means. The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only to the extent they are "due for payment" during the current year.

8. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and paid in full from current financial resources are reported as obligations of these funds. Capital leases are recognized as a liability in the governmental fund financial statements when due.

9. Fund Equity

In accordance with GASB Statement No. 34, Fund Balance Reporting and Government Fund Type Definitions, the County classifies government fund balances as follows:

- Non-spendable – includes fund balances that cannot be spent either because it is not in spendable forms or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position (cont'd)

9. Fund Equity (cont'd)

- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Mayor and City Council.
- Unassigned – includes positive fund balance with the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Minimum Level of Unassigned Fund Balance - The general fund unassigned fund balance will be maintained at a level sufficient to provide for the required resources to meet operating costs, to allow for unforeseen needs of an emergency nature, and to permit orderly adjustment to changes resulting from fluctuations of revenue resources. The City has an informal policy to maintain at least six months of prior year general fund operating and non-operating expenses in the unassigned balance of the general fund.

When both restricted and unrestricted resources are available, it is the City's policy to use restricted/committed resources first, unless there are legal conditions that prohibit doing so, then unrestricted resources as they are needed. The City will consider committed resources first, assigned resources second, and unassigned resources last when an expenditure is incurred for purposes in which any of those unassigned balances could be used.

10. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer and garbage. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from non-exchange transactions or ancillary activities. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund.

The water, sewer and garbage fund recognizes the portion of tap fees intended to recover current costs (e.g. labor and materials to hook up new customers) as operating revenue. The portion intended to recover the costs of the infrastructure is recognized as non-operating revenue or capital contributions. Operating expenses for the proprietary funds include the costs of sales and service, depreciation on capital assets, and personnel services and benefits. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses or capital contributions and transfers.

11. Program Revenues

Program revenues are those revenues that are generated directly from the primary activity of the governmental funds. These consist of licenses, permits, inspections, rental income, cemetery lot sales, fire protection service, and grants.

12. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position (cont'd)

13. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

14. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Credit and Concentration Risk – Investments: The City maintains investments in Georgia Fund 1, a combined state general fund and local government investment pool managed by the Office of the State Treasurer. Georgia Fund 1, formerly referred to as “LGIP” was established by O.C.G.A. 36-83-8. Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

The pool’s primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings on a monthly basis and determines participant’s shares sold and redeemed based on \$ 1.00 per share. The Georgia Office of the State Treasurer manages Georgia Fund 1. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board, which provides regulatory oversight.

The Georgia Fund 1 is rated AA+ rated investment pool by Standard & Poor’s. The weighted average maturity at June 30, 2020 was 38 days. Yield is calculated on an actual / 365 day basis, net of 5 basis points administrative fee. The City’s balance in Georgia Fund 1 at June 30, 2020 was \$ 2,258,789.

Custodial Credit Risk – Deposits:

The City maintains a formal adopted deposit, investment, and custodial credit risk policy and all deposits at June 30, 2020 were insured or collateralized by pledges held in the City’s name in the Georgia Bankers Association, Inc. pledging pool. Public funds are not required to disclose custodial credit risk for external investment pools; therefore, the Georgia Fund 1 is exempt from this requirement.

Interest Rate Risk – Deposits:

Interest rate risk is the risk that changes in interest rates may adversely affect an investment’s fair value. Since the price of a bond fluctuates with market interest rates, the risk an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The portfolio’s weighted average maturity (WAM) is a key determinate of the tolerance of a fund’s investments to risking interest rates. In general, the longer the WAM, the more susceptible the fund is to rising interest rate. According to GASB Statement 40, an acceptable method for reporting interest rate risk is WAM. WAM is the method used for reporting purposes for Georgia Fund 1.

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

A. Deposits and Investments (cont'd)

The City's cash, cash equivalents, and certificates of deposit are restricted for the following purposes:

	6/30/2020
Capital projects fund:	
SPLOST projects	\$ 309,632
Special Revenue fund:	
DDA	20,951
Permanent fund:	
Maintenance and care for the cemetery	201,027
Proprietary fund:	
Customer deposits	157,286
Total restricted cash, cash equivalents and certificates of deposit	\$ 688,896

B. Accounts Receivable

Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. All receivables are current and therefore due within one year. The City has not estimated an allowance for uncollectible accounts in the current year.

Accounts receivable at June 30, 2020 consist of the following:

	General Fund	Capital Projects Funds	Hotel Fund	Enterprise Water, Sewer & Garbage Fund	Total
Receivables					
Billed services	\$ -	\$ -	\$ -	\$ 125,614	\$ 125,614
Intergovernmental	124,235	232,515	507	-	357,257
Gross receivables	\$ 124,235	\$ 232,515	\$ 507	\$ 125,614	\$ 482,871

C. Interfund Balances and Transfers

Interfund transactions are reflected as loans, services provided reimbursements, or transfers. Loans are reported as receivables and payables, as appropriate, are subject to elimination upon consolidation and referred to as either "due to/from other funds." Any residual balances outstanding between the government activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not financial resources.

Internal services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal services provided are used and therefore not eliminated in the process of consolidation.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers. Transfers between government or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

C. Interfund Balances and Transfers (cont'd)

The composition of interfund balances as of June 30, 2020 are as follows:

Fund	Interfund Receivables	Interfund Payables
General fund	\$ 467,156	\$ 15,648
SPLOST fund	-	466,726
Cemetary fund	-	430
Water, sewer and garbage fund	13,787	-
Hotel-motel fund	1,861	-
Totals	<u>\$ 482,804</u>	<u>\$ 482,804</u>

The composition of interfund transfers as of June 30, 2020 are as follows:

Fund	Transfers In	Transfers Out	Totals
SPLOST	\$ -	\$ 85,444	(85,444)
Water & Sewer	85,444	-	85,444
Totals	<u>\$ 85,444</u>	<u>\$ 85,444</u>	<u>\$ -</u>

Transfers from the general fund to the DDA are for operating and development grant purposes. There were no transfers from the general fund to the DDA in the current year. Transfers from the SPLOST fund to the water and sewer fund are for capital expenditures to improve the drinking and clean water projects of the City.

D. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Government has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the Government is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The Government is also to allow the pool's agents and attorneys to represent the Government in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

E. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance 6/30/2019	Additions	Deductions	Balance 6/30/2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 991,394	\$ 81,000	\$ -	\$ 1,072,394
Construction in progress	2,016,321	1,271,498	143,229	3,144,590
Artifacts	49,751	-	-	49,751
Total capital assets not being depreciated	3,057,466	1,352,498	143,229	4,266,735
Depreciable capital assets:				
Buildings	3,579,854	1,046,296	-	4,626,150
Improvements other than buildings	32,825	-	-	32,825
Vehicles	176,504	67,475	-	243,979
Machinery and equipment	133,954	-	-	133,954
Infrastructure	2,657,111	216,023	-	2,873,134
Total depreciable capital assets	6,580,248	1,329,794	-	7,910,042
Accumulated depreciation:				
Buildings	1,529,587	95,179	-	1,624,766
Improvements other than buildings	24,149	673	-	24,822
Vehicles	105,463	37,259	-	142,722
Machinery and equipment	96,721	14,882	-	111,603
Infrastructure	766,354	116,656	-	883,010
Total accumulated depreciation	2,522,274	264,649	-	2,786,923
Total depreciable capital assets - net	4,057,974	1,065,145	-	5,123,119
Governmental activities capital assets, net	\$ 7,115,440	\$ 2,417,643	\$ 143,229	\$ 9,389,854

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

D. Capital Assets (cont'd)

	Balance 6/30/2019	Additions	Deductions	Balance 6/30/2020
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 3,179,295	\$ -	\$ -	\$ 3,179,295
Construction in progress	-	546,444	-	546,444
	3,179,295	546,444	-	3,725,739
Total capital assets not being depreciated				
	3,179,295	546,444	-	3,725,739
Other capital assets:				
Buildings	258,847	-	-	258,847
Machinery and equipment	562,878	-	-	562,878
Water and sewer system	13,022,826	-	-	13,022,826
Sewer treatment plant	923,923	-	-	923,923
	14,768,474	-	-	14,768,474
Total other capital assets				
	14,768,474	-	-	14,768,474
Accumulated depreciation				
Buildings	64,192	7,601	-	71,793
Machinery and equipment	352,807	62,138	-	414,945
Water and sewer system	5,035,214	517,642	-	5,552,856
Sewer treatment plant	484,311	23,691	-	508,002
	5,936,524	611,072	-	6,547,596
Total accumulated depreciation				
	5,936,524	611,072	-	6,547,596
Total depreciable capital assets - net				
	8,831,950	(611,072)	-	8,220,878
Business-type activities capital assets, net				
	\$ 12,011,245	\$ (64,628)	\$ -	\$ 11,946,617
Depreciation expense was charged to function as follows:				
General government		\$ 172,196		
Planning and zoning		9,220		
Public works		78,148		
Culture and recreation		5,085		
		264,649		
Total Governmental activities depreciation expense				
		\$ 264,649		
Business-type Activities				
Water and sewer		\$ 611,072		

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

F. Retirement Plan

1. Plan Description

The City participates in the Georgia Municipal Employees Benefit System (GMEBS) Retirement Fund, an agent multiple-employer defined benefit plan where contributions made by the City are commingled with contributions made by the other participants of the GMEBS Retirement Fund for investment purposes. The plan periodically issues an overall report to the required agencies. A stand-alone financial report can be obtained at City Hall.

The specific benefit provisions of the City's plan were established by an adoption agreement executed by the City Council. The plan provides for benefits upon retirement, death, disablement, and termination of employment. The plan is affiliated with the Georgia Municipal Employees Benefit System Retirement Fund, an agent multiple-employer pension plan administered by the Georgia Municipal Association (GMA). The City Council retains the authority to amend the adoption agreement, which defines the specific operational provisions of the plan.

Under the provisions of the plan, employees including elected officials are eligible to participate immediately. The pension benefits are fully vested after 5 years in the plan. Elected officials have no vesting schedule. Elected officials may retire at the age of 65, while employees may retire at the age of 70. The benefit rate for employees terminated after December 1, 2004 is 1.5%. Elected officials will receive benefits at a rate of \$ 25 per month for each year of service up to a maximum of 25 years.

2. Funding Policy

The City is required to contribute an actuarially determined amount annually to the plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the GMEBS plan trustees and intended to satisfy the minimum contribution requirements set forth in controlling State of Georgia Statutes. The policy requires a different funding level than the estimated minimum annual contribution to minimize fluctuation in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. Administrative expenses are based on expected total covered payroll of plan members and are added to the annual funding requirement. Funding for the pension liabilities has been provided through the respective employees' department (i.e. general fund or enterprise fund) in prior years. The required minimum contribution for the year-ended for the plan based on these standards is \$ 58,691; representing 5.99% of the expected payroll of covered employees. The City's contribution is made prior to year-end.

3. Additional Information

At July 1, 2020, the date of the most recent actuarial valuation, the 41 participants (including 5 elected officials) was made up of the following:

Retirees, beneficiaries and disabled participants receiving benefits	5
Vested former participants	11
Active employees participating in the plan	<u>25</u>
Total number of participants	<u><u>41</u></u>

Actuarial Assumptions: The City's total pension liability was based on a July 1, 2020 measurement date; the net pension liability was measured as of March 31, 2020.

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

F. Retirement Plan (cont'd)

Actuarial valuation determined the total pension liability using assumptions that were applied to all periods included in the measurement. Assumptions were approved by the Plan's Board of Trustees in December 2019 based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019. These assumptions are as follows:

Inflation	2.250%
Projected salary increases	2.250% plus age and service based merit increases
Net investment rate of return	7.375%
Cost of living adjustments	0.000%
Actuarial cost method	Entry age normal
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization method	17 years

Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled participants mortality rates were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25. Active and terminated participants mortality rates were based on the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45.00%	6.41%
International equity	20.00%	6.96%
Real estate	10.00%	4.76%
Global fixed income	5.00%	3.06%
Domestic fixed income	20.00%	1.96%
Total	<u>100.00%</u>	

Discount Rate. The discount rate used to determine the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rate equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

F. Retirement Plan (cont'd)

3. Additional Information (cont'd)

Changes in Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (c)
	<u> </u>	<u> </u>	<u> </u>
Balances at March 31, 2019	\$ 641,127	\$ 543,419	\$ 97,708
Changes of the year:			
Service cost	\$ 39,665	\$ -	\$ 39,665
Interest	50,707	-	50,707
Differences between expected and actual experience	31,323	-	31,323
Contributions - employer	-	42,708	(42,708)
Contributions - employee	-	-	-
Net investment income	-	(40,352)	40,352
Benefits payments, including refunds of employee contributions	(9,410)	(9,410)	-
Administrative expense	-	(9,260)	9,260
Other	21,074	-	21,074
Net Changes	<u>133,359</u>	<u>(16,314)</u>	<u>149,673</u>
Balances at March 31, 2020	<u>\$ 774,486</u>	<u>\$ 527,105</u>	<u>\$ 247,381</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
	<u> </u>	<u> </u>	<u> </u>
	\$ 352,770	\$ 247,381	\$ 161,057

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

F. Retirement Plan (cont'd)

3. Additional Information (cont'd)

For the year ended June 30, 2020, the City recognized government-wide pension expense of \$ 86,061. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 47,365	\$ (7,906)
Changes of assumptions	21,382	-
City contributions subsequent to measurement date	10,677	-
Net difference between projected and actual earnings on pension plan investments	65,503	-
Total	\$ 144,927	\$ (7,906)

The \$ 10,677 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date of March 31, 2020, will be recognized as a reduction to the pension liability in the subsequent fiscal period rather than the current. The net effect of the deferred outflows and inflows of resources on the net pension liability as of June 30, 2020 is \$ 43,337. Certain amounts reported as deferred outflows and inflows of resources will be recognized as pension expense in future years and are as follows:

Year Ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 44,236	\$ (7,906)
2022	37,307	-
2023	36,502	-
2024	26,882	-
Total	\$ 144,927	\$ (7,906)

G. Long-Term Obligations

1. Downtown Development Authority Series 2005 and 2014 Revenue Bonds (Component Unit) and Intergovernmental Capital Lease Agreement (General Fund) – Governmental Activities

On December 22, 2005, the Downtown Development Authority issued Series 2005 Revenue Bonds for the purpose of financing the costs of acquiring property known as the Dawsonville Municipal Complex for the City of Dawsonville. The value of capital assets recorded under the capital lease agreement for the Dawsonville Municipal Complex building totals \$ 2,575,106. Subsequent to the issuance, the City entered into an Intergovernmental Lease Agreement with the Downtown Development Authority by which the City has agreed to pay the bond debt installments under a lease-purchase arrangement until the full debt is satisfied. The City agreed that if necessary, an annual property tax would be levied to cover the cost. The City has not considered this necessary as of June 30, 2020.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

G. Long-Term Obligations (cont'd)

1. Downtown Development Authority Series 2005 and 2014 Revenue Bonds (Component Unit) and Intergovernmental Capital Lease Agreement (General Fund) – Governmental Activities (cont'd)

The Series 2005 – A Bond is a “qualified tax-exempt” obligation eligible for preferential governmental finance rates. The Series 2005 original capital lease obligation was \$ 2,166,922, with monthly installments of \$ 11,161 beginning January 22, 2006 with an interest rate of 2.1125%. The obligation matures December 22, 2025. The principal balance of the obligation at June 30, 2020 is \$ 686,666. The bond was paid in full in November 2020.

On August 1, 2014, the Downtown Development Authority issued Series 2014 Revenue Bonds for the purpose of financing the costs to acquire land adjacent to the Dawsonville Municipal Complex. The City then entered into an Intergovernmental Lease Agreement with the Downtown Development Authority in which the City pays the bond debt installments under a lease-purchase arrangement until the full debt is satisfied. The City continues to develop this land for the downtown park and Farmer’s Market.

The Series 2014 original capital lease obligation was \$ 557,735, with monthly installments of \$ 3,730 beginning August 24, 2014 with an interest rate of 4.83%. The final payment for the 2014 bond was paid on July 24, 2019. The final payment consisted of (maturity) \$ 295,939 in principal and \$ 2,004 in interest for a total payment of \$ 297,943.

2. Notes Payable (Governmental Activities)

The City entered into a zero-interest agreement that will mature on December 1, 2027 for land acquired for the Farmer’s Market. The monthly installments are \$ 750 and paid from the SPLOST fund. The remaining balance is \$ 66,750 as of June 30, 2020.

3. Revenue Bonds (Business-type Activities)

On November 1, 2019, the Downtown Development Authority issued Series 2019 Revenue Bonds in the amount of \$ 3,735,000. The proceeds of these bonds were used to: (a) redemption Series 2014 Bonds, and (b) to pay the costs of \$120,000 for issuing the Series 2019 Bonds. The City entered into an Intergovernmental Agreement with the Downtown Development Authority by which the City has agreed to pay the bond debt installments until the full debt is satisfied. The bonds bear an interest rate of 1.90%. The obligation matures on February 1, 2033. The principal balance at June 30, 2020 is \$ 3,485,000. The City agreed that if necessary, an annual property tax would be levied to cover the cost. The City has not considered this necessary as of June 30, 2020.

4. Drinking Water State Revolving Fund Note Payable (Business-type Activities)

The City maintains two Drinking Water Revolving Fund Loans from Georgia Environmental Finance Authority (GEFA). The funds will be used for Water and Sewer projects. The City pays a monthly administrative fee to GEFA for the loans. Principal payments and accrued interest on the notes shall be payable monthly on the first day of each calendar month. All loans have been fully drawn and are in repayment as of June 30, 2020. GEFA requires the City to maintain a 105% debt service coverage.

The first loan, dated February 18, 2015, offered up to \$ 1,000,000 in principal with 30% to be forgiven by GEFA. The obligation bears an interest rate of 1.71% and matures on May 1, 2039. The principal balance at June 30, 2020 is \$ 657,900.

The second loan, dated July 1, 2018, offered up to \$ 569,000 in principal with 30% to be forgiven by GEFA. During the year ending June 30, 2020, GEFA forgave \$22,440 of the loan. The obligation bears an interest rate of 0.50% and matures on July 1, 2028. The principal balance at June 30, 2020 is \$ 365,156.

Total loan forgiveness for the year ended June 30, 2020 is \$ 22,440. The city has received all forgiveness available over the life of the loans.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

G. Long-Term Obligations (cont'd)

5. Clean Water State Revolving Fund Note Payable (Business-type Activities)

The City has a note payable dated April 1, 2019 from GEFA to finance the costs of updating the wastewater treatment plant. The clean water loan also requires the City to maintain a 105% debt coverage ratio. The loan had an original balance of \$ 445,000. The obligation bears an interest rate of 2.03% and matures on April 1, 2039. The principal balance at June 30, 2020 is \$ 399,182.

Changes in long-term obligations for the year ended June 30, 2020 are as follows:

Governmental Activities	Balance 6/30/2019	Increases	Decreases	Balance 6/30/2020	Due within One Year
Capital Lease Obligations	\$ 1,121,635	\$ -	\$ 434,969	\$ 686,666	\$ 686,666
Note Payable	-	75,750	9,000	66,750	9,000
	<u>1,121,635</u>	<u>75,750</u>	<u>443,969</u>	<u>753,416</u>	<u>695,666</u>
Compensated Absences	30,708	51,633	38,955	43,386	43,386
Total Governmental Activities	<u>\$ 1,152,343</u>	<u>\$ 127,383</u>	<u>\$ 482,924</u>	<u>\$ 796,802</u>	<u>\$ 739,052</u>
Business-type Activities	Balance 6/30/2019	Increases	Decreases	Balance 6/30/2020	Due within One Year
Revenue Bond	\$ 3,615,000	\$ 3,735,000	\$ 3,865,000	\$ 3,485,000	\$ 240,000
Notes Payable	1,536,262	-	114,024	1,422,238	91,272
	<u>5,151,262</u>	<u>3,735,000</u>	<u>3,979,024</u>	<u>4,907,238</u>	<u>331,272</u>
Compensated Absences	19,239	29,012	22,489	25,762	25,762
Total Business-type Activities	<u>\$ 5,170,501</u>	<u>\$ 3,764,012</u>	<u>\$ 4,001,513</u>	<u>\$ 4,933,000</u>	<u>\$ 357,034</u>

Decreases for notes payable in the schedule above are a combination of actual principal paid on the notes of \$ 91,584 and debt forgiveness from GEFA of \$ 22,440.

Debt-service requirements for long-term obligations are as follows for the years ending June 30:

Governmental Activities

	Principal	Interest	Total
2021	\$ 695,666	\$ 13,342	\$ 709,008
2022	9,000	-	9,000
2023	9,000	-	9,000
2024	9,000	-	9,000
2025	9,000	-	9,000
2026 and thereafter	<u>21,750</u>	<u>-</u>	<u>21,750</u>
Total	<u>\$ 753,416</u>	<u>\$ 13,342</u>	<u>\$ 766,758</u>

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

G. Long-Term Obligations (cont'd)

5. Long-Term Obligation Activity (cont'd)

Business-type Activities	Revenue Bonds		Notes Payable		Total
	Principal	Interest	Principal	Interest	
2021	\$ 240,000	\$ 66,215	\$ 91,272	\$ 20,675	\$ 418,162
2022	245,000	61,655	92,398	19,548	418,601
2023	250,000	57,000	93,542	18,405	418,947
2024	255,000	52,250	94,635	17,312	419,197
2025	260,000	47,405	95,813	16,134	419,352
2026 and thereafter	2,235,000	195,795	954,578	102,357	3,487,730
Total	\$ 3,485,000	\$ 480,320	\$ 1,422,238	\$ 194,431	\$ 5,581,989

Total government-wide, combined obligations including interest for the years ending June 30:

Government-Wide Activities

	Principal	Interest	Total
2021	\$ 1,026,938	\$ 100,232	\$ 1,127,170
2022	346,398	81,203	427,601
2023	352,542	75,405	427,947
2024	358,635	69,562	428,197
2025	364,813	63,539	428,352
2026 and thereafter	3,211,328	298,152	3,509,480
Total	\$ 5,660,654	\$ 688,093	\$ 6,348,747

The City has no unused lines of credit open, and has no assets pledged as collateral for debt. All notes, capital leases, and revenue bonds originated under direct borrowing agreements.

6. Compensated Absences (Governmental and Business-type Activities)

Compensated absences liability was \$ 43,386 for governmental activities, and \$ 25,762 for business-type activities at June 30, 2020, respectively

Compensated absences are liquidated in the general fund for governmental activities and in the enterprise fund for business-type activities; see Note 1 for a further explanation of compensated absences. The City has reported 100% of the compensated absence liability as due in one year, as the City projects that most of the employees will use compensated absences earned within one year. Although the full balance is expected to be used within one year, the time earned will continue to replenish throughout the year and therefore the compensated absences remains noncurrent.

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

H. Restricted Equity and Fund Balances

Fund balances at June 30, 2020 consist of the following for the governmental funds:

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Fund balances:				
Non-spendable				
Prepaid items	\$ 26,320	\$ -	\$ -	\$ 26,320
Restricted:				
Hotel/motel	-	-	866	866
DDA	-	-	20,951	20,951
Cemetery	-	-	200,597	200,597
Capital projects	-	75,421	-	75,421
Unassigned:	2,852,052	-	-	2,852,052
Total fund balance	<u>\$ 2,878,372</u>	<u>\$ 75,421</u>	<u>\$ 222,414</u>	<u>\$ 3,176,207</u>

1. Permanent Fund

Restricted for cemetery – An amount of \$ 200,597 has been restricted in the Cemetery Fund since this amount is not legally available for appropriation. Of these funds, \$ 200,597 is expendable for cemetery perpetual care.

2. Special Revenue Fund

Restricted for tourism and development – A total of \$ 866 has been restricted for tourism expenditures in the Hotel-Motel Fund since this amount is not legally available for appropriation. A total of \$ 20,951 has been restricted for housing and development in the Downtown Development Authority of Dawsonville, Georgia.

3. Capital Projects Fund

Restricted for capital projects – An amount of \$ 75,421 has been restricted in the SPLOST capital projects fund because this amount is not legally available for appropriation.

Note 3 – COMMITMENTS AND CONTINGENCIES

A. Intergovernmental agreement for LOCAL OPTION SALES TAX (LOST) revenues.

Effective January 1, 2013 through December 31, 2022, the local option sales tax proceeds shall be divided between parties with Dawson County to receive 88% of the LOST proceeds and the City to receive 12% of LOST proceeds.

B. Litigation

According to management and the City's legal counsel, there are no adverse legal issues outstanding that should substantially or materially affect the financial statements.

Note 4 – HOTEL/MOTEL TAX

During the year ended June 30, 2020, the City had receipts based on the tax rate of 6%, of \$ 4,942 and incurred expenditures of \$ 4,796 (97% of revenues). These funds are held for disbursement to the Dawson County Chamber of Commerce for the purpose of promoting tourism. The City complied with the requirements of OCGA 48-13-51.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 5 – ARTIFACTS

The City owns a portion of collateral goods and collection of racing artifacts and memorabilia at the Dawsonville History Museum (FKA GA Racing Hall of Fame). The Museum was established as its own entity in 2011. The collection has a remaining cost basis of \$ 49,751 as of June 30, 2020. The artifacts are expected to maintain intrinsic value and are, therefore, not depreciated.

The Board of Directors for the Dawsonville History Museum is appointed by the City Council of Dawsonville. In addition, several members of the City's management, are voting members of the Board. Because of this, the Dawsonville History Museum is considered to be a related party of the City. During the year ending June 30, 2020, the Dawsonville History Museum paid the City \$ 8,136 in rental income. There were no balances due to or from the Dawsonville History Museum as of June 30, 2020.

Note 6 – JOINT VENTURE

Georgia Mountains Regional Commission (GMRC)

Under Georgia law, the City, in conjunction with other cities and counties in the thirty county Northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. Membership in GMRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organization structure of the GMRC in Georgia. The GMRC Board membership includes the chief elected official of each county and municipality of the area and private sector individuals from each County and three minority members. Annual dues are paid by the Dawson County Board of Commissioners to include the City of Dawsonville and overall county populace.

OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a GMRC. Separate financial statements may be obtained from the Georgia Mountains Regional Commission, 1310 West Ridge Road Gainesville, Georgia 30501.

Note 7 – RESPONSE TO COVID-19

On March 11, 2020, the World Health Organization characterized the novel strain of coronavirus, COVID-19, a global pandemic. In response to COVID, the City passed a resolution on March 16, 2020 declaring emergency conditions, directions on the ability to provide interaction with the Citizens of Dawsonville, and further protocol to continue operations in order to meet the needs of citizens. Recommendations by the Centers for Disease Control (CDC) and the World Health Organization (WHO) were followed to the best of their abilities, including limiting the number of citizens and personnel within City Hall, other departments, and facilities of the City. The City was able to adapt quickly due to the efforts put in place in prior years for electronic communications to the public and electronic documentation processes.

Note 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 7, 2020, the date the financial statements were available to be issued and identified one event.

In July of 2021, the State of Georgia granted access to the grant agreement through the State CARES portal for local governments to receive Coronavirus Relief Funds (CRF). The recognition of the revenues from CRF follow the guidance based on the guidance provided by the U.S. Treasury, GASB Statement No. 33, GABS-Implementation Guide 2019-1, and GASB Technical Bulletin No. 2020-1; all eligibility criterion must be met before revenue can be recognized. Subsequent to the date of the financial statements but before issuance, the City requested and was reimbursed for supplies related to COVID-19 under the grant in the amount of \$ 96,060, which will be recognized in the 2021 fiscal year.

In November of 2020, the City paid the remaining balance of the Series 2005 Revenue Bonds maintained as a capital lease obligation to the Dawsonville Development Authority. The final payment of \$ 686,666 consists of principal and interest and has released the City of further lease obligations to the DDA.

FINANCIAL SECTION
Required Supplementary Information

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CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2020
(Unaudited)

	Fiscal Year End		
	2020	2019	2018
<i>Total pension liability</i>			
Service cost	\$ 39,665	\$ 29,314	\$ 23,209
Interest	50,707	43,156	36,406
Differences between expected and actual experience	31,323	28,144	13,547
Change of assumptions	21,074	-	11,307
Change of benefit terms	-	-	-
Benefits payments, including refunds of employee contributions	(9,410)	(11,160)	(5,111)
Net change in total pension liability	133,359	89,454	79,358
Total pension liability - beginning	641,127	551,673	472,315
Total pension liability - ending (a)	<u>\$ 774,486</u>	<u>\$ 641,127</u>	<u>\$ 551,673</u>
<i>Plan fiduciary net position</i>			
Contributions - employer	\$ 42,708	\$ 30,943	\$ 29,208
Contributions - employee	-	-	-
Net investment income	(40,352)	18,956	55,665
Benefits payments, including refunds of employee contributions	(9,410)	(11,160)	(5,111)
Administrative expense	(9,260)	(8,455)	(8,224)
Other	-	-	-
Net change in fiduciary net position	(16,314)	30,284	71,538
Plan fiduciary net position - beginning	543,419	513,135	441,597
Plan fiduciary net position - ending (b)	<u>\$ 527,105</u>	<u>\$ 543,419</u>	<u>\$ 513,135</u>
Net pension liability - ending (a)-(b)	<u>\$ 247,381</u>	<u>\$ 97,708</u>	<u>\$ 38,538</u>
Plan's fiduciary net position as percentage of the total pension liability	68.06%	84.76%	93.01%
Covered payroll	\$ 969,401	\$ 833,420	\$ 696,293
Net pension liability as a percentage of covered payroll	25.52%	11.72%	5.53%

Note: The schedule is intended to show ten years of information; however, fiscal year 2015 was the first year of implementation. Additional years' information will be displayed as it becomes available.

The accompanying notes to the required supplementary information are an integral part of this schedule.

CITY OF DAWSONVILLE, GEORGIA
 SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
 LAST TEN FISCAL YEARS
 June 30, 2020
 (Unaudited)

Fiscal Year End		
2017	2016	2015
\$ 17,954	\$ 14,001	\$ 12,393
35,681	33,943	31,065
(39,532)	(21,140)	3,522
-	-	(5,461)
-	-	-
(4,377)	(4,378)	(4,377)
9,726	22,426	37,142
462,589	440,163	403,021
\$ 472,315	\$ 462,589	\$ 440,163
\$ 30,958	\$ 27,612	\$ 26,495
-	-	-
48,498	1,462	30,673
(4,377)	(4,378)	(4,377)
(8,390)	(5,916)	(5,468)
-	-	-
66,689	18,780	47,323
374,908	356,128	308,805
\$ 441,597	\$ 374,908	\$ 356,128
\$ 30,718	\$ 87,681	\$ 84,035
93.50%	81.05%	80.91%
\$ 468,083	\$ 360,912	\$ 342,936
6.56%	24.29%	24.50%

CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2020
(Unaudited)

	Fiscal Year End		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 36,593	\$ 29,813	\$ 32,319
Contributions in relation to the actuarially determined contribution	<u>36,593</u>	<u>29,813</u>	<u>33,299</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (980)</u>
Covered payroll	\$ 833,420	\$ 696,293	\$ 788,556
Contributions as a percentage of covered payroll	4.39%	4.28%	4.22%

Note: This schedule is intended to show ten years of information; however, fiscal year 2015 was the first year of implementation. Additional years' information will be displayed as it becomes available.

The accompanying notes to the required supplementary information are an integral part of this schedule.

CITY OF DAWSONVILLE, GEORGIA
 SCHEDULE OF CONTRIBUTIONS
 LAST TEN FISCAL YEARS
 June 30, 2020
 (Unaudited)

	Fiscal Year End	
<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 29,813	\$ 30,504	\$ 26,648
<u>16,330</u>	<u>26,664</u>	<u>37,750</u>
<u>\$ 13,483</u>	<u>\$ 3,840</u>	<u>\$ (11,102)</u>
\$ 587,245	\$ 523,244	\$ 479,173
2.78%	5.10%	7.88%

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

1. Valuation Date

The actuarially determined contribution was determined as of July, 1, 2020, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution will be reported for the fiscal year ending December 31, 2021.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Projected Unit Credit

Amortization Method: Closed level dollar for remaining unfunded liability

Remaining Amortization Period: Remaining amortization period varies of the bases, with net effective amortization of 17 years

Asset Valuation Method: Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net Investment Rate of Return: 7.375%

Projected Salary Increases: 2.25% plus service based merit increases

Cost of Living Adjustments: 0.00%

Retirement Age for Inactive Vested Participants: 65

Mortality: Healthy retirees and beneficiaries were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25. Active participants, terminated vested participants, and deferred beneficiaries on the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

Assumptions listed above were approved by the Plan's Board of Trustees in December, 2019 based on the results of an actuarial experience study approved by the Board for the period January 1, 2015 through June 30, 2019.

3. Changes in Benefits

There were no changes in benefit provisions in the last two fiscal years.

4. Changes of Assumptions

Amounts reported for the fiscal year ending in 2019 and later reflect the following assumption changes based on an actuarial study conducted in 2018:

- The investment return assumption was decreased from 7.50% to 7.375%.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The turnover rates were changed from the greater of age-based rates for the first 5 years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first 2 years of service with an ultimate rate of 3.25% at 10 years of service to a service-based scale starting at 8.50% for the first 2 years of service with an ultimate rate of 3.00% at 15 years of service.

FINANCIAL SECTION

Combining and Individual Fund Financial Statements and Schedules

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CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
June 30, 2020

	<u>Non-Major Fund Special Revenue Fund Hotel-Motel</u>	<u>Non-Major Fund Special Revenue Fund DDA</u>	<u>Non-Major Fund Permanent Fund Cemetery</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS				
Restricted assets:				
Cash and cash equivalents	\$ -	\$ 20,951	\$ 201,027	\$ 221,978
Taxes receivable	507	-	-	507
Due from other funds	1,861	-	-	1,861
TOTAL ASSETS	<u>2,368</u>	<u>20,951</u>	<u>201,027</u>	<u>224,346</u>
LIABILITIES				
Current - accounts payable	1,502	-	-	1,502
Due to general fund	-	-	430	430
TOTAL LIABILITIES	<u>1,502</u>	<u>-</u>	<u>430</u>	<u>1,932</u>
FUND BALANCE				
Restricted for:				
Tourism	866	-	-	866
Housing and business development	-	20,951	-	20,951
Cemetery	-	-	200,597	200,597
TOTAL FUND BALANCES	<u>866</u>	<u>20,951</u>	<u>200,597</u>	<u>222,414</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,368</u>	<u>\$ 20,951</u>	<u>\$ 201,027</u>	<u>\$ 224,346</u>

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPEDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2020

	<u>Non-Major Fund Special Revenue Fund Hotel-Motel</u>	<u>Non-Major Fund Special Revenue Fund DDA</u>	<u>Non-Major Fund Permanent Fund Cemetery</u>	<u>Total Non-Major Governmental Funds</u>
REVENUES				
Taxes	\$ 4,942	\$ -	\$ -	\$ 4,942
Charge for services	-	-	17,660	17,660
Contributions and donations	-	-	-	-
Interest earned	-	-	1,677	1,677
Total revenues	<u>4,942</u>	<u>-</u>	<u>19,337</u>	<u>24,279</u>
EXPENDITURES				
Current operating:				
Tourism	4,796	-	-	4,796
Housing and business development	-	14,438	-	14,438
Cemetery services	-	-	17,368	17,368
Total expenditures	<u>4,796</u>	<u>14,438</u>	<u>17,368</u>	<u>36,602</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	146	(14,438)	1,969	(12,323)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
NET CHANGE IN FUND BALANCE	146	(14,438)	1,969	(12,323)
FUND BALANCES - beginning of year	<u>720</u>	<u>35,389</u>	<u>198,628</u>	<u>234,737</u>
FUND BALANCES - end of year	<u>\$ 866</u>	<u>\$ 20,951</u>	<u>\$ 200,597</u>	<u>\$ 222,414</u>

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
HOTEL-MOTEL FUND
BALANCE SHEET
June 30, 2020

	Hotel-Motel Fund
ASSETS	
Taxes receivable	\$ 507
Due from other funds	1,861
TOTAL ASSETS	2,368
LIABILITIES	
Current - accounts payable	1,502
TOTAL LIABILITIES	1,502
FUND BALANCE	
Restricted for tourism	866
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,368

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
HOTEL-MOTEL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND
ACTUAL

For the Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Hotel-motel taxes	<u>\$ 4,000</u>	<u>\$ 4,942</u>	<u>\$ 942</u>
Total revenues	<u>4,000</u>	<u>4,942</u>	<u>942</u>
EXPENDITURES			
Current operating:			
Housing and development - tourism	<u>4,000</u>	<u>4,796</u>	<u>796</u>
Total expenditures	<u>4,000</u>	<u>4,796</u>	<u>796</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>146</u>	<u>146</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>146</u>	<u>\$ 146</u>
FUND BALANCES - beginning of year		<u>720</u>	
FUND BALANCES - end of year		<u>\$ 866</u>	

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
DOWNTOWN DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
June 30, 2020

	<u>DDA Fund</u>
ASSETS	
Restricted assets:	
Cash and cash equivalents	<u>\$ 20,951</u>
TOTAL ASSETS	<u>20,951</u>
FUND BALANCE	
Restricted for housing and business development	<u>20,951</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 20,951</u>

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
DOWNTOWN DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS)
AND ACTUAL
For the Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Contributions and donations	\$ 42,500	\$ -	\$ (42,500)
Total revenues	<u>42,500</u>	<u>-</u>	<u>(42,500)</u>
EXPENDITURES			
Current operating:			
Grants disbursed	25,000	-	(25,000)
Housing and business development	17,500	14,438	(3,062)
Total expenditures	<u>42,500</u>	<u>14,438</u>	<u>(28,062)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(14,438)</u>	<u>(14,438)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>(14,438)</u>	<u>\$ (14,438)</u>
FUND BALANCES - beginning of year		<u>35,389</u>	
FUND BALANCES - end of year		<u>\$ 20,951</u>	

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
PERMANENT FUND
CEMETERY FUND
BALANCE SHEET
June 30, 2020

	<u>Cemetery Fund</u>
ASSETS	
Restricted assets:	
Cash and cash equivalents	\$ 201,027
TOTAL ASSETS	201,027
LIABILITIES	
Due to general fund	430
TOTAL LIABILITIES	430
FUND BALANCES	
Restricted for cemetery fund	200,597
TOTAL FUND BALANCES	\$ 200,597

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
PERMANENT FUND
CEMETERY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND
ACTUAL
For the Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Cemetery lot sales	\$ 25,000	\$ 17,500	\$ (7,500)
Real estate fees	180	160	(20)
Interest income	500	1,677	1,177
	<u>25,680</u>	<u>19,337</u>	<u>(6,343)</u>
EXPENDITURES			
Repairs and maintenance	10,000	6,560	(3,440)
Professional services	-	7,100	7,100
Miscellaneous expenditures	2,200	3,708	1,508
Capital outlay	120,000	-	(120,000)
	<u>132,200</u>	<u>17,368</u>	<u>(114,832)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(106,520)</u>	<u>1,969</u>	<u>108,489</u>
OTHER FINANCING SOURCES (USES)			
Contingency (fund reserves)	<u>106,520</u>	<u>-</u>	<u>(106,520)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>1,969</u>	<u>\$ 1,969</u>
FUND BALANCES - beginning of year		<u>198,628</u>	
FUND BALANCES - end of year		<u>\$ 200,597</u>	

FINANCIAL SECTION
Supplementary Information

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CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL
WATER, SEWER AND GARBAGE FUND
For the year ended June 30, 2020

	Final Budget	Actual	Variance with Final Budget -
OPERATING REVENUES			
Charges for services :			
Water fees	\$ 680,000	\$ 712,004	\$ 32,004
Sewer fees	794,000	822,551	28,551
Garbage fees	171,000	193,578	22,578
Miscellaneous	51,100	96,473	45,373
	<u>1,696,100</u>	<u>1,824,606</u>	<u>128,506</u>
OPERATING EXPENSES			
Cost of sales and service:			
Advertising	1,200	374	826
Bad debts	150	-	150
Capital outlay	1,000,000	-	1,000,000
Communications	16,400	12,683	3,717
Depreciation	430,000	611,072	(181,072)
Dues and subscriptions	16,700	15,649	1,051
Education and training	7,000	1,442	5,558
Food	2,000	918	1,082
Garbage service	152,950	166,343	(13,393)
Gas and fuel	9,000	7,176	1,824
Insurance	25,000	20,426	4,574
Licenses	300	-	300
Postage	10,500	5,566	4,934
Printing and binding	2,300	1,896	404
Professional	135,000	89,493	45,507
Rental equipment	1,000	828	172
Repairs and maintenance	115,000	63,948	51,052
Supplies	139,550	121,661	17,889
Travel	2,000	-	2,000
Technical services	66,000	62,381	3,619
Uniform service	3,000	1,192	1,808
Utilities	135,950	134,824	1,126
Total cost of sales and service:	<u>2,271,000</u>	<u>1,317,872</u>	<u>953,128</u>
Personnel services and benefits:			
Salaries	317,738	327,322	(9,584)
Payroll taxes	24,306	24,284	22
Group insurance	89,450	85,680	3,770
Workers compensation	10,000	31,050	(21,050)
Retirement	16,500	15,570	930
Total personnel services and benefits	<u>457,994</u>	<u>483,906</u>	<u>(25,912)</u>
OPERATING INCOME (LOSS)	<u>(1,032,894)</u>	<u>22,828</u>	<u>1,055,722</u>
NON-OPERATING INCOME (LOSS)			
Transfers in (out)	-	85,444	85,444
Contingency (reserves)	127,776	-	(127,776)
Forgiveness of debt	-	22,440	22,440
Tap fees	1,000,000	771,500	(228,500)
Bond issuance costs	-	(120,000)	(120,000)
Interest and fiscal charges	(111,000)	(46,959)	64,041
Interest earned	16,118	16,814	696
TOTAL NON-OPERATING INCOME (LOSS)	<u>1,032,894</u>	<u>729,239</u>	<u>(303,655)</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>752,067</u>	<u>\$ 752,067</u>
NET POSITION - beginning of year		<u>9,473,417</u>	
NET POSITION - end of year		<u>\$ 10,225,484</u>	

CITY OF DAWSONVILLE, GEORGIA
SCHEDULES OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF NET POSITION
June 30, 2020

	Water / Sewer	Garbage	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,283,009	\$ 192,421	\$ 3,475,430
Receivables (net of allowance for uncollectible):			
Accounts	110,192	15,422	125,614
Due from general fund	13,787	-	13,787
Prepaid expense	29,004	-	29,004
Restricted assets:			
Cash and cash equivalents	157,286	-	157,286
Total current assets	3,593,278	207,843	3,801,121
Non-current assets:			
Capital assets:			
Land	3,179,295	-	3,179,295
Construction in progress	546,444	-	546,444
Depreciable capital assets, net	8,220,878	-	8,220,878
Total non-current Assets	11,946,617	-	11,946,617
 TOTAL ASSETS	 15,539,895	 207,843	 15,747,738
DEFERRED OUTFLOWS OF RESOURCES			
Retirement contributions	42,584	-	42,584
 TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	 \$ 15,582,479	 \$ 207,843	 \$ 15,790,322

CITY OF DAWSONVILLE, GEORGIA
SCHEDULES OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF NET POSITION
June 30, 2020

	<u>Water / Sewer</u>	<u>Garbage</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 358,003	\$ -	\$ 358,003
Accrued expenses	15,299	-	15,299
Accrued interest payable	29,355	-	29,355
Current portion of long-term debt	331,272	-	331,272
Customer deposits - payable from restricted assets	154,170	-	154,170
	<u>888,099</u>	<u>-</u>	<u>888,099</u>
Total current liabilities			
Long-term liabilities:			
Compensated absences (due within one year)	25,762	-	25,762
Long-term debt (net of current portion)	4,575,966	-	4,575,966
Net pension liability	72,688	-	72,688
	<u>4,674,416</u>	<u>-</u>	<u>4,674,416</u>
Total long-term liabilities			
TOTAL LIABILITIES	<u>5,562,515</u>	<u>-</u>	<u>5,562,515</u>
DEFERRED INFLOWS OF RESOURCES			
Retirement adjustments	2,323	-	2,323
	<u>2,323</u>	<u>-</u>	<u>2,323</u>
NET POSITION			
Net investment in capital assets	6,492,935	-	6,492,935
Unrestricted	3,524,706	207,843	3,732,549
	<u>10,017,641</u>	<u>207,843</u>	<u>10,225,484</u>
TOTAL NET POSITION			
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	<u>\$ 15,582,479</u>	<u>\$ 207,843</u>	<u>\$ 15,790,322</u>

CITY OF DAWSONVILLE, GEORGIA
SCHEDULES OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the Year Ended June 30, 2020

	Water / Sewer	Garbage	Total
OPERATING REVENUES			
Charges for services	\$ 1,534,555	\$ 193,578	\$ 1,728,133
Miscellaneous	96,473	-	96,473
Total operating revenues	<u>1,631,028</u>	<u>193,578</u>	<u>1,824,606</u>
OPERATING EXPENSES			
Personnel services and benefits	483,906	-	483,906
Purchased and contractual services	423,895	185,943	609,838
Supplies	96,962	-	96,962
Depreciation and amortization	611,072	-	611,072
Total operating expenses	<u>1,615,835</u>	<u>185,943</u>	<u>1,801,778</u>
OPERATING INCOME (LOSS)	<u>15,193</u>	<u>7,635</u>	<u>22,828</u>
NON-OPERATING INCOME (LOSS)			
Transfers in (out)	85,444	-	85,444
Forgiveness of debt	22,440	-	22,440
Tap fees	771,500	-	771,500
Bond issuance costs	(120,000)	-	(120,000)
Interest and fiscal charges	(46,959)	-	(46,959)
Interest earned	16,814	-	16,814
TOTAL NON-OPERATING INCOME (LOSS)	<u>729,239</u>	<u>-</u>	<u>729,239</u>
CHANGE IN NET POSITION	744,432	7,635	752,067
NET POSITION - beginning of year	<u>9,273,209</u>	<u>200,208</u>	<u>9,473,417</u>
NET POSITION - end of year	<u>\$ 10,017,641</u>	<u>\$ 207,843</u>	<u>\$ 10,225,484</u>

STATISTICAL SECTION



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CITY OF DAWSONVILLE, GEORGIA
INTRODUCTION TO THE STATISTICAL SECTION

(Unaudited)

This part of the City of Dawsonville’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents	Pages
Financial Trends.....	57-64
<i>These tables/schedules contain trend information designed to assist the reader in understanding how the City has performed from a financial perspective over time.</i>	
Revenue Capacity.....	65-68
<i>These tables/schedules contain information that may assist the reader in assessing the viability of the City’s most significant revenue sources.</i>	
Debt Capacity.....	69-73
<i>These tables/schedules present information designed to assist the reader in analyzing the affordability of the City’s current levels of outstanding debt, and the City’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information.....	74-75
<i>These tables/schedules offer demographic, economic and statistical information intended to assist the reader in understanding the environment in which the City’s financial activities take place.</i>	
Operating Information.....	76-78
<i>These tables/schedules contain service and infrastructure data to assist the reader in understanding how the information in the City’s financial report relates to the services the government provides and the activities it performs.</i>	

Source: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the relevant year.

CITY OF DAWSONVILLE, GEORGIA
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year Ending 6/30			
	2020	2019	2018	2017
GOVERNMENTAL ACTIVITIES				
Net Investment in capital assets	8,636,438	5,993,804	4,126,980	3,447,930
Restricted	297,835	1,226,974	2,035,011	1,548,463
Unrestricted	2,757,053	3,353,414	2,972,388	2,780,141
Total governmental activities net position	<u>\$ 11,691,326</u>	<u>\$ 10,574,192</u>	<u>\$ 9,134,379</u>	<u>\$ 7,776,534</u>
BUSINESS-TYPE ACTIVITIES				
Net Investment in capital assets	7,039,379	6,859,983	6,452,179	6,060,288
Restricted	-	-	-	-
Unrestricted	3,186,105	2,613,434	2,647,049	2,724,721
Total business-type activities net position	<u>\$ 10,225,484</u>	<u>\$ 9,473,417</u>	<u>\$ 9,099,228</u>	<u>\$ 8,785,009</u>
PRIMARY GOVERNMENT				
Net Investment in capital assets	15,675,817	12,853,787	10,579,159	9,508,218
Restricted	297,835	1,226,974	2,035,011	1,548,463
Unrestricted	5,943,158	5,966,848	5,619,437	5,504,862
Total primary government net position	<u>\$ 21,916,810</u>	<u>\$ 20,047,609</u>	<u>\$ 18,233,607</u>	<u>\$ 16,561,543</u>

CITY OF DAWSONVILLE, GEORGIA
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Fiscal Year Ending 6/30					
2016	2015	2014	2013	2012	2011
2,886,908	2,641,366	2,623,723	2,625,541	2,193,856	2,238,622
1,101,659	233,170	201,407	215,198	304,838	341,926
2,465,001	2,153,006	1,899,759	1,537,287	1,525,884	1,182,435
\$ 6,453,568	\$ 5,027,542	\$ 4,724,889	\$ 4,378,026	\$ 4,024,578	\$ 3,762,983
5,743,112	5,721,934	5,732,374	5,979,576	6,134,502	6,445,279
-	-	-	217,758	216,476	215,221
2,245,230	1,924,607	1,788,771	1,476,569	1,107,259	1,184,364
\$ 7,988,342	\$ 7,646,541	\$ 7,521,145	\$ 7,673,903	\$ 7,458,237	\$ 7,844,864
8,630,020	8,363,300	8,356,097	8,605,117	8,328,358	8,683,901
1,101,659	233,170	201,407	432,956	521,314	557,147
4,710,231	4,077,613	3,688,530	3,013,856	2,633,143	2,366,799
\$ 14,441,910	\$ 12,674,083	\$ 12,246,034	\$ 12,051,929	\$ 11,482,815	\$ 11,607,847

CITY OF DAWSONVILLE, GEORGIA
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year Ending 6/30			
	2020	2019	2018	2017
EXPENSES				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 1,226,733	\$ 1,332,954	\$ 1,156,139	\$ 1,013,076
Public Safety	1,008	1,111	167	4,412
Public Works	645,805	373,071	335,394	313,367
Culture and Recreation	79,781	83,021	1,288	3,138
Planning and Zoning	342,311	325,837	248,627	198,962
Housing and Development	36,318	50,489	32,858	44,029
Interest	26,216	47,812	42,923	39,209
Total Governmental Activities	<u>2,358,172</u>	<u>2,214,295</u>	<u>1,817,396</u>	<u>1,616,193</u>
BUSINESS-TYPE ACTIVITIES:				
Water and Sewage	1,968,737	1,819,554	1,681,624	1,569,535
Total Business-type Activities	<u>1,968,737</u>	<u>1,819,554</u>	<u>1,681,624</u>	<u>1,569,535</u>
Total Expenses	<u>\$ 4,326,909</u>	<u>\$ 4,033,849</u>	<u>\$ 3,499,020</u>	<u>\$ 3,185,728</u>
PROGRAM REVENUES				
GOVERNMENTAL ACTIVITIES:				
Charges for services:				
General Government	\$ 138,406	\$ 110,910	\$ 143,006	\$ 121,425
Public Safety	-	380	100	240
Highways and Streets	-	-	-	-
Culture and Recreation	-	-	-	-
Planning and Zoning	166,653	202,114	171,918	172,484
Development	-	3,767	-	-
Operating grants and contributions	-	280	3,600	10,650
Capital grants and contributions	1,436,973	1,414,048	1,355,464	1,262,546
Total Governmental Activities	<u>1,742,032</u>	<u>1,731,499</u>	<u>1,674,088</u>	<u>1,567,345</u>
BUSINESS-TYPE ACTIVITIES:				
Charges for Services:				
Water and Sewage	1,824,606	1,688,289	1,596,836	1,531,603
Capital grants and contributions	793,940	342,278	197,422	704,711
Total Business-type Activities	<u>2,618,546</u>	<u>2,030,567</u>	<u>1,794,258</u>	<u>2,236,314</u>
Total Program Revenues	<u>\$ 4,360,578</u>	<u>\$ 3,762,066</u>	<u>\$ 3,468,346</u>	<u>\$ 3,803,659</u>
Net (Expense) / Revenue				
Governmental activities	\$ (616,140)	\$ (482,796)	\$ (143,308)	\$ (48,848)
Business-type activities	649,809	211,013	112,634	666,779
Total Net Expense	<u>\$ 33,669</u>	<u>\$ (271,783)</u>	<u>\$ (30,674)</u>	<u>\$ 617,931</u>

CITY OF DAWSONVILLE, GEORGIA
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Fiscal Year Ending 6/30					
2016	2015	2014	2013	2012	2011
\$ 740,287	\$ 688,376	\$ 682,148	\$ 706,717	\$ 728,050	\$ 706,602
235	-	-	80,000	160,000	160,000
341,970	341,626	221,424	265,141	157,539	63,848
4,454	863	1,933	5,641	5,993	66,023
81,709	100,322	97,632	63,448	79,660	68,694
60,466	19,637	11,577	23,667	5,357	3,062
43,330	47,996	29,952	39,202	46,422	47,563
<u>1,272,451</u>	<u>1,198,820</u>	<u>1,044,666</u>	<u>1,183,816</u>	<u>1,183,021</u>	<u>1,115,792</u>
1,427,252	1,351,765	1,465,860	1,360,724	1,353,080	1,489,493
<u>1,427,252</u>	<u>1,351,765</u>	<u>1,465,860</u>	<u>1,360,724</u>	<u>1,353,080</u>	<u>1,489,493</u>
<u>\$ 2,699,703</u>	<u>\$ 2,550,585</u>	<u>\$ 2,510,526</u>	<u>\$ 2,544,540</u>	<u>\$ 2,536,101</u>	<u>\$ 2,605,285</u>
\$ 121,425	\$ 120,923	\$ 106,907	\$ 84,070	\$ 129,225	\$ 109,271
240	50	-	-	1,500	19,261
-	-	-	-	-	-
-	-	-	-	-	-
172,484	101,255	79,488	28,036	41,138	36,659
-	-	-	-	-	-
10,650	14,300	17,420	9,993	1,000	1,000
1,262,546	1,048,782	-	16,629	16,523	4,320
<u>1,567,345</u>	<u>1,285,310</u>	<u>203,815</u>	<u>138,728</u>	<u>189,386</u>	<u>170,511</u>
1,315,557	1,285,971	1,204,829	1,121,978	962,042	972,252
425,540	125,000	104,300	466,000	-	-
<u>1,741,097</u>	<u>1,410,971</u>	<u>1,309,129</u>	<u>1,587,978</u>	<u>962,042</u>	<u>972,252</u>
<u>\$ 3,308,442</u>	<u>\$ 2,696,281</u>	<u>\$ 1,512,944</u>	<u>\$ 1,726,706</u>	<u>\$ 1,151,428</u>	<u>\$ 1,142,763</u>
\$ 294,894	\$ 86,490	\$ (840,851)	\$ (1,045,088)	\$ (993,635)	\$ (945,281)
313,845	59,206	(156,731)	227,254	(391,038)	(517,241)
<u>\$ 608,739</u>	<u>\$ 145,696</u>	<u>\$ (997,582)</u>	<u>\$ (817,834)</u>	<u>\$ (1,384,673)</u>	<u>\$ (1,462,522)</u>

CITY OF DAWSONVILLE, GEORGIA
CHANGES IN NET POSITION (continued)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year Ending 6/30			
	2020	2019	2018	2017
GENERAL REVENUES				
GOVERNMENTAL ACTIVITIES:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Tax	1,083,319	1,072,132	993,116	885,518
Other excise taxes	117,295	101,668	93,976	107,339
Franchise taxes	212,912	215,166	198,382	190,223
Intergovernmental-unrestricted	-	-	-	-
Unrestricted investment earnings	45,633	77,265	35,127	13,713
Gain (loss) on sale of capital assets	-	-	1,370	-
Other	359,558	387,942	364,954	300,745
Transfers in/out	(85,444)	(144,820)	(185,772)	(125,724)
Special Item	-	-	-	-
Total general revenues, transfers, and special item	<u>1,733,273</u>	<u>1,709,353</u>	<u>1,501,153</u>	<u>1,371,814</u>
BUSINESS-TYPE ACTIVITIES:				
Unrestricted investment earnings	16,814	18,356	9,243	4,164
Gain (loss) on sale of capital assets	-	-	6,570	-
Miscellaneous	-	-	-	-
Transfers in/out	85,444	144,820	185,772	125,724
Special Item	-	-	-	-
Total Business-type Activities	<u>102,258</u>	<u>163,176</u>	<u>201,585</u>	<u>129,888</u>
Total Primary Government	<u>\$ 1,835,531</u>	<u>\$ 1,872,529</u>	<u>\$ 1,702,738</u>	<u>\$ 1,501,702</u>
Change in Net Position				
Governmental Activities	\$ 1,117,133	\$ 1,093,213	\$ 885,013	\$ 755,674
Business-type Activities	<u>752,067</u>	<u>812,985</u>	<u>851,394</u>	<u>779,697</u>
Total Change in Net Position	<u>\$ 1,869,200</u>	<u>\$ 1,906,198</u>	<u>\$ 1,736,407</u>	<u>\$ 1,535,371</u>

CITY OF DAWSONVILLE, GEORGIA
CHANGES IN NET POSITION (continued)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Fiscal Year Ending 6/30					
2016	2015	2014	2013	2012	2011
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
899,360	788,952	783,018	802,222	892,217	832,894
87,132	91,757	90,626	84,451	80,496	78,869
182,404	210,988	143,418	148,922	120,715	120,936
-	-	-	-	-	-
7,000	3,182	2,243	2,573	2,254	3,737
-	-	-	-	-	-
261,876	233,488	233,496	219,710	178,423	80,839
(24,605)	-	-	-	-	-
-	-	-	90,000	-	-
<u>1,413,167</u>	<u>1,328,367</u>	<u>1,252,801</u>	<u>1,347,878</u>	<u>1,274,105</u>	<u>1,117,275</u>
3,351	2,899	3,973	3,953	4,413	7,633
-	-	-	-	(2)	(1,500)
-	-	-	-	-	-
24,605	-	-	-	-	-
-	-	-	(15,541)	-	-
<u>27,956</u>	<u>2,899</u>	<u>3,973</u>	<u>(11,588)</u>	<u>4,411</u>	<u>6,133</u>
<u>\$ 1,441,123</u>	<u>\$ 1,331,266</u>	<u>\$ 1,256,774</u>	<u>\$ 1,336,290</u>	<u>\$ 1,278,516</u>	<u>\$ 1,123,408</u>
\$ 930,371	\$ 712,227	\$ 346,863	\$ 353,448	\$ 261,595	\$ 243,039
238,969	652,708	(152,758)	215,666	(386,627)	(511,108)
<u>\$ 1,169,340</u>	<u>\$ 1,364,935</u>	<u>\$ 194,105</u>	<u>\$ 569,114</u>	<u>\$ (125,032)</u>	<u>\$ (268,069)</u>

CITY OF DAWSONVILLE, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year Ending 6/30			
	2020	2019	2018	2017
General Fund				
Nonspendable	\$ 26,320	\$ 20,806	\$ 39,186	\$ 20,478
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>2,852,052</u>	<u>3,409,306</u>	<u>2,992,823</u>	<u>2,821,052</u>
Total General Fund:	<u>\$ 2,878,372</u>	<u>\$ 3,430,112</u>	<u>\$ 3,032,009</u>	<u>\$ 2,841,530</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	297,835	1,226,974	2,035,011	1,548,463
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all Other Governmental Funds:	<u>\$ 297,835</u>	<u>\$ 1,226,974</u>	<u>\$ 2,035,011</u>	<u>\$ 1,548,463</u>

CITY OF DAWSONVILLE, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

Fiscal Year Ending 6/30					
2016	2015	2014	2013	2012	2011
\$ 27,366	\$ 5,048	\$ 43,732	\$ 13,530	\$ 36,897	\$ 8,840
-	-	-	-	-	-
-	-	-	-	-	-
2,491,569	2,201,835	1,864,596	1,529,719	1,494,558	1,175,171
\$ 2,518,935	\$ 2,206,883	\$ 1,908,328	\$ 1,543,249	\$ 1,531,455	\$ 1,184,011
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,101,659	233,170	201,407	215,198	304,838	341,926
-	-	-	-	-	-
-	-	-	-	-	-
\$ 1,101,659	\$ 233,170	\$ 201,407	\$ 215,198	\$ 304,838	\$ 341,926

CITY OF DAWSONVILLE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year Ending 6/30			
	2020	2019	2018	2017
REVENUES				
Taxes	\$ 1,773,084	\$ 1,780,626	\$ 1,650,375	\$ 1,483,767
Charges for services	96,237	138,882	101,802	96,129
Intergovernmental	1,436,973	1,414,328	1,353,991	1,261,871
Licenses and permits	166,653	117,152	157,670	137,243
Fines, fees and forfeitures	-	-	-	-
Interest	45,633	77,265	39,503	15,389
Contributions	-	50	2,600	9,650
Miscellaneous	42,170	57,369	55,071	60,836
Total Revenues	<u>3,560,750</u>	<u>3,585,672</u>	<u>3,361,012</u>	<u>3,064,885</u>
EXPENDITURES				
General Government	1,016,800	1,225,589	1,131,689	850,333
Public Safety	1,008	1,111	167	4,412
Highways and Streets	561,318	413,631	472,242	381,468
Culture and Recreation	801,640	51,014	675	2,527
Planning and Zoning	359,341	323,774	271,057	198,962
Development	31,234	54,093	32,858	47,530
Debt Service				
Principal	436,205	226,116	224,554	149,015
Interest	24,980	47,812	42,925	39,330
Capital Outlay	1,723,658	1,720,962	319,216	496,185
Total Expenditures	<u>4,956,184</u>	<u>4,064,102</u>	<u>2,495,383</u>	<u>2,169,762</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (1,395,434)</u>	<u>\$ (478,430)</u>	<u>\$ 865,629</u>	<u>\$ 895,123</u>

CITY OF DAWSONVILLE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

Fiscal Year Ending 6/30					
2016	2015	2014	2013	2012	2011
\$ 2,462,221	\$ 1,325,185	\$ 1,250,558	\$ 1,255,305	\$ 1,271,852	\$ 1,113,537
69,194	64,625	5,330	25,465	35,644	33,866
17,833	1,000	20,370	17,523	5,055	111,682
87,955	67,588	54,461	69,713	63,134	35,471
-	-	-	-	-	-
7,000	3,182	2,268	2,573	2,520	4,330
13,800	16,420	-	-	-	4,500
65,080	54,182	58,542	76,685	66,412	55,444
<u>2,723,083</u>	<u>1,532,182</u>	<u>1,391,529</u>	<u>1,447,264</u>	<u>1,444,617</u>	<u>1,358,830</u>
689,860	566,867	538,842	577,984	494,045	461,597
21,491	-	-	80,000	160,000	160,000
346,940	329,030	223,199	247,217	136,796	49,684
4,454	-	100	1,991	2,343	62,373
81,709	100,322	97,632	63,448	79,054	67,241
63,481	22,229	14,349	26,635	7,800	12,811
143,822	135,419	112,223	368,955	118,900	117,135
43,330	47,997	29,952	39,202	46,422	47,563
122,850	-	23,944	119,678	88,901	128,197
<u>1,517,937</u>	<u>1,201,864</u>	<u>1,040,241</u>	<u>1,525,110</u>	<u>1,134,261</u>	<u>1,106,601</u>
<u>\$ 1,205,146</u>	<u>\$ 330,318</u>	<u>\$ 351,288</u>	<u>\$ (77,846)</u>	<u>\$ 310,356</u>	<u>\$ 252,229</u>

CITY OF DAWSONVILLE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (continued)
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year Ending 6/30			
	2020	2019	2018	2017
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	(85,444)	(144,820)	(185,772)	(125,724)
General Obligation bonds issued	-	-	-	-
Premium on general obligation bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Premium on refunding bonds issued	-	-	-	-
Discount on special assessment bonds issue	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Capital lease	-	-	-	-
Sales of general capital assets	-	-	-	-
Insurance recoveries	-	-	-	-
Total Other Financing Sources (Uses)	<u>(85,444)</u>	<u>(144,820)</u>	<u>(185,772)</u>	<u>(125,724)</u>
Net change in fund balances before special item	<u>(1,480,878)</u>	<u>(623,250)</u>	<u>679,857</u>	<u>769,399</u>
Special Item	-	-	-	-
Net change in fund balances	<u>\$ (1,480,878)</u>	<u>\$ (623,250)</u>	<u>\$ 679,857</u>	<u>\$ 769,399</u>
Debt service as a percentage of noncapital expenditures	18.57%	21.22%	24.84%	29.20%

CITY OF DAWSONVILLE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (continued)
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

Fiscal Year Ending 6/30					
2016	2015	2014	2013	2012	2011
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(213,025)	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(213,025)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,180,541</u>	<u>330,318</u>	<u>351,288</u>	<u>(77,846)</u>	<u>310,356</u>	<u>252,229</u>
-	-	-	-	-	-
<u>\$ 1,180,541</u>	<u>\$ 330,318</u>	<u>\$ 351,288</u>	<u>\$ (77,846)</u>	<u>\$ 310,356</u>	<u>\$ 252,229</u>
15.49%	15.86%	14.31%	29.68%	15.81%	16.83%

CITY OF DAWSONVILLE, GEORGIA
GENERAL FUND HISTORY
 Last Five Fiscal Years

	Fiscal Year Ending 6/30				
	2020	2019	2018	2017	2016
Revenues					
Taxes	\$ 1,768,142	\$ 1,776,908	\$ 1,647,457	\$ 1,480,174	\$ 1,284,945
Charges for services	78,577	117,522	66,112	81,039	55,574
Intergovernmental	85,359	74,215	112,870	25,098	17,833
Licenses and permits	166,653	117,153	157,670	137,243	87,955
Fines, fees and forfeitures	-	-	-	-	-
Interest	42,099	68,024	34,720	13,463	6,254
Contributions	-	-	-	-	-
Miscellaneous	42,170	57,369	55,071	60,836	65,080
Total Revenues	<u>2,183,000</u>	<u>2,211,191</u>	<u>2,073,900</u>	<u>1,797,853</u>	<u>1,517,641</u>
Expenditures					
General Government	1,016,800	1,225,529	1,131,689	850,333	689,860
Public Safety	1,008	1,111	167	4,412	21,491
Public Works	543,950	370,416	452,833	364,524	332,343
Culture and Recreation	801,640	51,014	675	2,527	4,454
Planning and Zoning	359,341	323,774	271,057	198,962	81,709
Housing and Development	12,000	12,000	12,000	12,000	12,000
Debt Service	-	-	-	-	-
Capital Outlay	-	-	-	-	187,152
Total Expenditures	<u>2,734,739</u>	<u>1,983,844</u>	<u>1,868,421</u>	<u>1,432,758</u>	<u>1,329,009</u>
Excess (Deficiency) of					
Revenues over Expenditures	(551,739)	227,347	205,479	365,095	188,632
Other Financing Sources (Uses)					
Transfers in (out)	-	(42,500)	(15,000)	(42,500)	123,420
Net Change in Fund Balances	(551,739)	184,847	190,479	322,595	312,052
Fund Balance- beginning of year	3,430,111	3,032,008	2,841,529	2,518,934	2,206,882
Prior Period Adjustment	-	213,256	-	-	-
Fund Balance- end of year	<u>\$ 2,878,372</u>	<u>\$ 3,430,111</u>	<u>\$ 3,032,008</u>	<u>\$ 2,841,529</u>	<u>\$ 2,518,934</u>

Note: This schedule is provided to comply with debt requirements in prior years. The City continues to present for analytical comparisons.

CITY OF DAWSONVILLE, GEORGIA
WATER & SEWER FUND HISTORY
 Last Five Fiscal Years

	Fiscal Year Ending 6/30				
	2020	2019	2018	2017	2016
Operating Revenues					
Charges for services	\$ 1,534,555	\$ 1,477,260	\$ 1,403,325	\$ 1,363,254	\$ 1,177,492
Miscellaneous	96,473	54,161	53,455	50,123	31,175
Total Operating Revenues	<u>1,631,028</u>	<u>1,531,421</u>	<u>1,456,780</u>	<u>1,413,377</u>	<u>1,208,667</u>
Operating Expenses					
Personal Services & Benefits	483,906	411,578	376,280	287,380	266,569
Purchased/Contracted Service	423,895	458,525	425,751	466,946	362,852
Bad Debts	-	-	411	1,207	5,829
Supplies	96,962	113,053	200,870	151,271	149,927
Depreciation & Amortization	611,072	573,071	461,773	427,979	413,210
Total Expenditures	<u>1,615,835</u>	<u>1,556,227</u>	<u>1,465,085</u>	<u>1,334,783</u>	<u>1,198,387</u>
Operating Income (Loss)	15,193	(24,806)	(8,305)	78,594	10,280
Non-Operating Income (Loss)					
Intergovernmental Revenues	-	-	11,694	288,306	-
Gain (loss) on Sale of Assets	-	-	6,570	-	-
Forgiveness of Debt	22,440	173,528	29,228	55,405	154,040
Bond Issuance Costs	(120,000)	-	-	-	-
Interest & Fiscal Charges	(46,959)	(124,028)	(115,369)	(112,318)	(139,363)
Interest Earned	16,814	18,356	9,243	4,164	3,351
Total Non-Operating Income (Loss)	(127,705)	67,856	(58,634)	235,557	18,028
Net Income Before Transfers	(112,512)	43,050	(66,939)	314,151	28,308
Tap Fees & Other					
Tap Fees & Other	771,500	168,750	156,500	361,000	271,500
Transfers In (Out)	<u>85,444</u>	<u>144,820</u>	<u>185,772</u>	<u>125,724</u>	<u>24,605</u>
Change in Net Position	744,432	356,620	275,333	800,875	324,413
Net Position- beginning of year	9,273,209	8,916,589	8,641,256	7,840,381	7,421,968
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,000</u>
Net Position - end of year	<u>\$10,017,641</u>	<u>\$ 9,273,209</u>	<u>\$ 8,916,589</u>	<u>\$ 8,641,256</u>	<u>\$ 7,840,381</u>

Note: This schedule is provided to comply with debt requirements in prior years. Financial results related to the Garbage Function are excluded in this presentation. As such, amounts will differ from the total reported in the City's basic financial statements. Details of the functional allocations can be found in supplementary schedules to the City's annual financial statements. The required budget schedule for the Water & Sewer Fund is also included in supplementary information. The City continues to present for analytical comparisons.

CITY OF DAWSONVILLE, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Years

Tax Year	Real Property				Personal Property (1)	
	Residential Property	Agricultural & Conservation Property	Commercial & Industrial Property	Public Utilities	Motor Vehicles	Mobile Homes
2020	\$110,319,686	\$ 10,681,135	\$ 28,482,260	\$ 2,591,569	\$ 93,380	\$ -
2019	95,555,293	10,427,246	26,250,833	2,520,502	34,090	-
2018	83,471,379	9,977,936	26,183,110	2,409,781	49,200	-
2017	65,131,888	9,170,797	25,732,544	2,390,900	54,600	-
2016	55,455,965	8,786,418	24,932,499	2,009,547	66,180	-
2015	49,962,771	9,202,748	22,049,743	1,999,574	2,938	1,340
2014	44,143,055	8,833,142	24,609,041	1,811,627	169,780	1,340
2013	40,167,378	8,526,540	21,789,893	2,003,986	207,450	2,410
2012	43,109,208	8,537,257	18,067,672	1,783,236	252,490	12,657
2011	48,561,693	11,203,280	18,849,201	1,743,018	198,620	16,922

Source: Georgia Department of Revenue

- (1) The City does not presently levy ad valorem tax, therefore inventory and equipment valuations are not reported.
- (2) Digest is not adjusted for bond exemptions since no taxes were levied for bond debt service and therefore the exemptions were not calculated by the Dawson County Tax Commissioner.
- (3) Total assessed value, after deducting exemptions for purposes of levying tax for the maintenance and operation of the City, if the City had levied such tax.

CITY OF DAWSONVILLE, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Years

Gross Tax Digest / Bond Digest (2)	Exemption Adjustments	Total Taxable Assessed Value (3)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Value
\$ 152,168,030	\$ (5,137,553)	\$ 147,030,477	0.00	\$ 367,576,193	40%
134,787,964	(4,865,034)	129,922,930	0.00	324,807,325	40%
122,091,406	(4,676,131)	117,415,275	0.00	293,538,188	40%
102,480,729	(4,077,959)	98,402,770	0.00	246,006,925	40%
91,250,609	(4,631,222)	86,619,387	0.00	216,548,468	40%
83,219,114	(3,563,366)	79,655,748	0.00	199,139,370	40%
79,567,985	(3,739,663)	75,828,322	0.00	189,570,805	40%
72,697,657	(2,649,546)	70,048,111	0.00	175,120,278	40%
71,762,520	(2,649,546)	69,112,974	0.00	172,782,435	40%
80,572,734	(3,122,450)	77,450,284	0.00	193,625,710	40%

CITY OF DAWSONVILLE, GEORGIA
PROPERTY TAX RATES - MILLS
DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Years

Tax Year	Direct Rate	Overlapping Rates				Total Direct and Overlapping Rates
	City of Dawsonville	Dawson County Board of Education		State of Georgia	Dawson County	
	Operating Millage	Operating Millage	Debt Service	Operating Millage	Operating Millage	
2020	0.000	15.778	0.000	0.000	8.138	23.916
2020	0.000	15.778	0.000	0.000	8.138	23.916
2018	0.000	15.778	0.000	0.000	8.138	23.916
2017	0.000	15.778	0.000	0.000	8.138	23.916
2016	0.000	15.778	0.000	0.050	8.138	23.966
2015	0.000	16.496	0.000	0.050	8.138	24.684
2014	0.000	17.246	0.000	0.100	8.138	25.484
2013	0.000	17.246	0.000	0.150	8.138	25.534
2012	0.000	15.546	0.400	0.200	8.138	24.284
2011	0.000	15.546	0.400	0.250	8.138	24.334

Source: Georgia Department of Revenue

Note: Mills - rate per \$1,000 of taxable assessed value
 2020 tax rates not yet available for publication

CITY OF DAWSONVILLE, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago

Taxpayer	Type of Business	2020			2011				
		Taxable Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)	Taxable Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)
Atlanta Motorsports Park, LLC	Motorsports Park	\$ 3,005,840		1	1.98%	\$ -	-	-	0.00%
Dawsonville Fee Owner, LLC	Shopping Center Owner	2,280,400		2	1.50%	-	-	-	0.00%
Farmington Woods, LP	Apartment Complex	1,854,965		3	1.22%	-	-	-	0.00%
Gryphon North GA Properties, LLC	Commercial Business Owner	1,564,320		4	1.03%	-	-	-	0.00%
Georgia Power Company	Public Utility	1,316,095		5	0.86%	-	-	-	0.00%
B&K Turner Family, LLP	Public Utility	924,648		6	0.61%	-	-	-	0.00%
Gold Creek Processing, LLC	Poultry Processing	918,844		7	0.60%	-	-	-	0.00%
Windstream Standard, Inc.	Public Utility	772,197		8	0.51%	995,276	6	1.24%	
Starmount Properties Inc.	Apartment Complex	777,920		9	0.51%	779,464	8	0.00%	
Peachtree Dekalb Plaza, LLC	Property Management	741,108		10	0.49%	-	-	-	0.00%
Dawsonville Retail Investors, LLC	Real Estate Investment	-	-	-	0.00%	2,544,129	1	3.16%	
E Elliott Family Partnership LLP	Real Estate Investment	-	-	-	0.00%	1,517,955	2	1.88%	
Comm & Southern Bank	Commercial Business Owner	-	-	-	0.00%	1,283,102	3	1.59%	
SCC Villas, LLC	Residential Developer	-	-	-	0.00%	1,208,812	4	1.50%	
EHK Investments, LLC	Family Owned Real Estate	-	-	-	0.00%	1,163,038	5	1.44%	
Meadow Trace	Residential Developer	-	-	-	0.00%	898,672	7	1.12%	
SBW Development Venture	Residential Developer	-	-	-	0.00%	750,816	9	0.93%	
Rainhill Investments, LLC	Real Estate Investment	-	-	-	0.00%	747,000	10	0.93%	
Totals		14,156,337			9.30%	11,888,264			14.75%

Source: Dawson County Tax Commissioner

Note: The City of Dawsonville does not levy property tax. Rank is based on the amount of County maintenance & operations taxes billed since exemptions that reduce the assessed value can vary by entity.

(1) Percentages are based on the City's gross tax digest of \$ 152,168,030 for calendar year 2020, and \$ 92,339,058 for calendar year 2011.

CITY OF DAWSONVILLE, GEORGIA
LOCAL OPTION SALES TAX DISTRIBUTION COMMODITY REPORT
 Last Five Fiscal Years

Commodity (1)	2020			2019		
	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
General Merchandise	\$ 2,629,924	1	29.37%	\$ 2,888,305	1	32.60%
Food/Bars	1,973,740	2	22.04%	1,776,131	2	20.05%
Other Retail	1,164,694	3	13.01%	1,107,888	3	12.50%
Miscellaneous Service	802,732	4	8.96%	781,325	4	8.82%
Other Services	477,353	5	5.33%	428,626	7	4.84%
Wholesale	467,165	6	5.22%	482,410	5	5.44%
Home Furnishing	465,446	7	5.20%	449,248	6	5.07%
Utility	316,042	8	3.53%	307,624	9	3.47%
Manufacturing	281,248	9	3.14%	305,890	8	3.45%
Auto	209,682	10	2.34%	174,954	10	1.97%
Construction	85,384	-	0.95%	72,702	-	0.82%
Accommodations	82,032	-	0.92%	84,739	-	0.96%
Totals	8,955,442		100.00%	8,859,842		100.00%

Source: Georgia Department of Revenue, Local Government Services

(1) Data is not available for City of Dawsonville; Dawson County totals are reported on this schedule.

CITY OF DAWSONVILLE, GEORGIA
LOCAL OPTION SALES TAX DISTRIBUTION COMMODITY REPORT
 Last Five Fiscal Years

2018			2017			2016		
Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
\$ 2,756,933	1	33.37%	\$ 2,488,720	1	34.07%	\$ 2,678,360	1	39.04%
1,724,121	2	20.87%	1,511,492	2	20.69%	1,232,140	2	17.96%
991,588	3	12.00%	731,543	3	10.02%	671,004	3	9.78%
693,971	4	8.40%	695,112	4	9.52%	568,871	4	8.29%
345,113	7	4.18%	97,373	10	1.33%	83,607	10	1.22%
423,375	5	5.12%	442,632	5	6.06%	383,261	6	5.59%
370,178	6	4.48%	339,663	7	4.65%	277,962	7	4.05%
323,353	8	3.91%	278,894	8	3.82%	269,555	8	3.93%
314,792	9	3.81%	417,276	6	5.71%	438,265	5	6.39%
159,012	10	1.92%	169,305	9	2.32%	160,335	9	2.34%
69,713	-	0.84%	42,800	-	0.59%	21,273	-	0.31%
88,855	-	1.08%	89,546	-	1.23%	75,391	-	1.10%
<u>8,261,004</u>		<u>100.00%</u>	<u>7,304,356</u>		<u>100.00%</u>	<u>6,860,024</u>		<u>100.00%</u>

CITY OF DAWSONVILLE, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities	Business-Type Activities			Percentage of Personal Income (1)	Per Capita (1)
	Intergovern- mental Contractual Agreement (2)	Water & Sewer Revenue Bonds	Municipal Loans	Total Primary Government		
2020	\$ 753,416	\$ 3,485,000	\$ 1,422,238	\$ 5,660,654	3.10%	1,339
2019	1,121,635	3,615,000	1,536,262	6,272,897	4.72%	2,018
2018	1,347,751	3,835,000	1,493,832	6,676,583	5.30%	2,237
2017	1,572,307	4,045,000	917,800	6,535,107	5.43%	2,214
2016	1,721,322	4,250,000	359,426	6,330,748	6.03%	2,403
2015	1,865,144	4,450,000	-	6,315,144	6.18%	2,410
2014	1,442,828	4,675,000	-	6,117,828	6.56%	2,412
2013	1,555,048	3,761,717	1,083,998	6,400,763	7.41%	2,596
2012	1,924,006	3,816,575	1,147,157	6,887,738	8.84%	3,003
2011	2,042,906	3,867,828	1,207,565	7,118,299	9.38%	3,070

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) See the Schedule of Demographic and Economic Statistics on page 74 for personal income and population data.
- (2) The City maintains liability through an intergovernmental contractual agreement for bonds issued by the Downtown Development Authority, a blended component unit of the City. See notes to the financial statements for further detail.

CITY OF DAWSONVILLE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 GENERAL OBLIGATION AND REVENUE BONDS
 June 30, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Available</u>	<u>Estimated Share of Overlapping Debt</u>
City of Dawsonville Direct Debt			
Intergovernmental Contractual Obligations	\$ 753,416	100%	\$ 753,416
Total Direct	<u>753,416</u>		<u>753,416</u>
Overlapping Debt:			
Dawson County Board of Commissioners	2,745,000	10.72%	294,264
Dawson County School System	<u>6,345,000</u>	10.72%	<u>680,184</u>
Total Overlapping Debt	<u>9,090,000</u>		<u>974,448</u>
Total	<u>\$ 9,843,416</u>		<u>\$ 1,727,864</u>

Source: Direct debt outstanding provided by the City as of June 30, 2020, as represented in current financial statements. Overlapping debt outstanding data as per reported in the Dawson County CAFR for December 31, 2019.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county total taxable assessed value.

CITY OF DAWSONVILLE, GEORGIA
LEGAL DEBT MARGIN - GENERAL OBLIGATION DEBT
 Last Ten Fiscal Years

	2020	2019	2018	2017
Assessed value of property, gross tax digest	\$ 152,168,030	\$ 134,787,964	\$ 122,091,406	\$ 102,480,729
Debt Limit (10% of total assessed value)	15,216,803	13,478,796	12,209,141	10,248,073
Amount of Debt applicable to limit:				
General obligation bonds and contracts payable	753,416	1,121,635	1,347,751	1,572,307
Less: Resources restricted to paying principal	-	-	-	-
Total net debt applicable to limit	753,416	1,121,635	1,347,751	1,572,307
Legal debt margin	\$ 14,463,387	\$ 12,357,161	\$ 10,861,390	\$ 8,675,766
Total net debt applicable to the limit as a percentage of debt limit	4.95%	8.32%	11.04%	15.34%

CITY OF DAWSONVILLE, GEORGIA
LEGAL DEBT MARGIN - GENERAL OBLIGATION DEBT
 Last Ten Fiscal Years

2016	2015	2014	2013	2012	2011
\$ 91,250,609	\$ 83,219,114	\$ 79,567,985	\$ 72,697,657	\$ 71,762,520	\$ 80,752,734
9,125,061	8,321,911	7,956,799	7,269,766	7,176,252	8,075,273
1,721,322	1,334,130	1,442,828	1,555,048	1,924,006	2,042,906
-	-	-	-	-	-
1,721,322	1,334,130	1,442,828	1,555,048	1,924,006	2,042,906
\$ 7,403,739	\$ 6,987,781	\$ 6,513,971	\$ 5,714,718	\$ 5,252,246	\$ 6,032,367
18.86%	16.03%	18.13%	21.39%	26.81%	25.30%

CITY OF DAWSONVILLE, GEORGIA
PLEDGED-REVENUE COVERAGE
WATER, SEWER & GARBAGE FUND
 Last Ten Fiscal Years

Public Utilities Revenue Bonds & Pledged Municipal Loans

Fiscal Year	Operating Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest (3)	
2020	\$ 1,841,420	\$ 1,190,706	\$ 650,714	\$ 364,025	\$ 46,959	1.58
2019	1,706,645	1,122,455	584,190	268,964	124,028	1.49
2018	1,606,079	1,104,482	501,597	248,305	115,369	1.38
2017	1,535,767	1,029,238	506,529	260,405	112,318	1.36
2016	1,318,908	874,680	444,228	200,000	139,363	1.31
2015	1,288,870	812,753	476,117	225,000	97,159	1.48
2014	1,208,802	734,280	474,522	170,715	296,608	1.02
2013	1,125,931	719,778	406,153	118,017	208,528	0.76
2012	966,455	710,484	255,971	111,661	213,678	0.79
2011	979,885	836,095	143,790	107,928	217,410	0.44

(1) Total operating revenues including interest.

(2) Total operating expenses exclusive of depreciation.

(3) Beginning 2016, amount shown is interest and other fiscal charges, including fees associated with debt.

CITY OF DAWSONVILLE, GEORGIA
TAX SUPPORTED DEBT RATIOS
 June 30, 2020

	<u>Direct Tax Supported Debt (1)</u>	<u>Overlapping Tax Supported Debt (1)</u>	<u>Overall Tax Supported Debt (6)</u>
Per Capita Debt (2)	\$ 178	\$ 231	\$ 409
Percentage of Gross Tax Digest (3)	0.50%	0.64%	1.14%
Percentage of Direct Fair Market Value (4)	0.20%	0.27%	0.47%
Per Capita Debt as Percentage of Per Capita Income (5)	0.41%	0.53%	0.94%

Note: This schedule is provided to comply with debt covenant requirements from prior years. The City continues to present for analytical comparisons.

- (1) Direct and overlapping debt is shown in total on page 70.
- (2) Based on 2020 City of Dawsonville population of 4,227, see page 74.
- (3) Based on 2020 Gross Tax Digest of \$ 152,168,030, see page 65.
- (4) Based on 2020 estimated actual value of \$ 367,576,193, see page 65.
- (5) Based on 2020 estimated per capita income figure for Dawson County of \$ 43,255, see page 74.
- (6) Based on amount of overlapping debt applicable to City of Dawsonville taxable property.

CITY OF DAWSONVILLE, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year Ended	Population Dawson County (2)	Population City of Dawsonville	Estimated City of Dawsonville Personal Income (4)	Dawson Co. Per Capita Personal Income (3)	Dawson County Average Annual Unemployment Rate (1)
2020	26,364	4,227	\$ 182,838,399	\$ 43,255	5.7%
2019	25,290	3,109	132,792,967	42,712	3.0%
2018	24,621	2,984	125,855,547	42,177	3.6%
2017	24,006	2,952	120,458,484	40,806	4.4%
2016	23,604	2,634	104,901,684	39,826	4.7%
2015	23,256	2,620	102,109,260	38,973	5.6%
2014	22,891	2,536	93,266,472	36,777	5.8%
2013	22,574	2,466	86,376,582	35,027	6.7%
2012	22,371	2,294	77,872,124	33,946	7.7%
2011	22,209	2,319	75,866,085	32,715	9.0%

Data Sources:

- (1) Data provided through the Georgia Department of Labor and U.S. Department of Labor Bureau of Labor Statistics.
- (2) U.S. Census population data for 2011 - 2019 is not confirmed; 2020 City population estimate is based upon data provided by City Manager.
- (3) Current per capita data unavailable. Calculated estimate by applying to the preceding year, the compound annual growth rate of 1.27% realized for the ten year period 2011-2019.
- (4) Personal Income figures specifically for the City are not consistently available. Calculated estimate by multiplying county per capita rate by City population.

CITY OF DAWSONVILLE, GEORGIA
PRINCIPAL EMPLOYERS
 Current Year and Ten Years Ago

Taxpayer	2020			2011		
	Employees	Rank	Percentage of City Employment	Employees	Rank	Percentage of City Employment
Dawson County Board of Commissioners	501	1	28.34%	504	2	26.11%
Dawson County Board of Education (1)	324	2	18.33%	333	3	17.25%
Gold Creek Processing, LLC / Gold Creek	307	3	17.36%	653	1	33.83%
Atlanta Motor Sports Park LLC	56	4	3.17%	-	-	0.00%
Food Lion Store # 2132	40	5	2.26%	35	4	1.81%
T.W. Phillips Grading, Inc.	27	6	1.53%	9	10	0.47%
Bojangles Restaurant	23	7	1.30%	-	-	0.00%
City of Dawsonville	19	8/9	1.07%	15	6	0.78%
Dairy Queen of Dawsonville	19	8/9	1.07%	-	-	0.00%
North Georgia Assisted Living	17	10	0.96%	-	-	0.00%
Ernie Elliott Inc.	-	-	0.00%	12	8	0.62%
Davis Machine Inc.	-	-	0.00%	18	5	0.93%
Southern Foodservice Management	-	-	0.00%	13	7	0.67%
Southern Catholic College	-	-	0.00%	10	9	0.52%
Subway	-	-	0.00%	10	9	0.52%
The Pantry DBA Kangaroo Store #3318	-	-	0.00%	10	9	0.52%
All Others	435	-	24.60%	308	-	15.96%
Totals	1,768		100.00%	1,930		100.00%

Source: Employment data based on business license applications and phone surveys.

- (1) Represented in the employment figures presented are employees of the BOE offices, Dawson County High School, Dawson County Junior High, Robinson Elementary and Hightower Academy

CITY OF DAWSONVILLE, GEORGIA
CITY GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years

Function	2020		2019		2018		2017	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General government:								
Mayor and council	-	5	-	5	-	5	-	5
Finance and administration	6	-	6	-	5	1	3	1
Planning and zoning	2	1	2	1	2	1	2	-
Highways and streets	5	1	4	1	3	-	3	-
Water and sewer	6	-	6	-	6	-	5	-
Totals	<u>19</u>	<u>7</u>	<u>18</u>	<u>7</u>	<u>16</u>	<u>7</u>	<u>13</u>	<u>6</u>

Source: City employment records.

CITY OF DAWSONVILLE, GEORGIA
CITY GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years

2016		2015		2014		2013		2012		2011	
Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
-	5	-	5	-	5	-	5	-	5	-	5
2	1	1	1	1	1	1	1	1	1	1	1
1	-	1	-	1	-	1	-	1	-	1	-
3	-	3	-	3	-	1	1	1	1	-	-
5	-	3	-	3	-	3	-	3	-	4	-
<u>11</u>	<u>6</u>	<u>8</u>	<u>6</u>	<u>8</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>6</u>	<u>7</u>	<u>6</u>	<u>6</u>

CITY OF DAWSONVILLE, GEORGIA
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Number of accounts payable checks issued	1,637	1,729	1,579	1,426	1,404	730	730	656	554	1,004
Number of payroll checks issued	554	651	504	418	326	286	286	290	278	273
Highways and streets										
Miles of streets maintained	12.04	12.04	12.04	11.60	11.60	10.87	10.87	10.87	10.08	10.07
Miles of sidewalks maintained	8.30	8.30	8.30	7.80	6.68	5.93	5.93	5.70	5.52	5.09
Planning & Zoning										
Permits issued	188	162	280	206	141	100	97	96	83	98
Licenses issued	539	208	280	219	204	181	190	163	151	152
Water System										
Number of service connections	1,483	1,414	1,316	1,248	1,208	1,250	1,250	1,118	1,131	1,096
Daily average consumption in gallon	228,962	236,422	220,037	204,309	242,947	190,688	190,688	187,092	294,304	194,215
Sewer System										
Number of service connections	1,335	1,234	1,144	1,077	970	1,075	1,075	941	934	904
Daily average treatment in gallons	207,940	212,696	197,183	183,826	164,764	176,698	176,698	166,530	270,731	172,218
Garbage Collection										
Customers	1,083	970	876	816	654	572	556	553	518	522

Source: Various City departments.

CITY OF DAWSONVILLE, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Municipal facilities	1	1	1	1	1	1	1	1	1	1
Rental houses	2	2	2	2	2	2	2	2	2	2
Undeveloped land acreage	17.74	17.74	17.74	17.74	17.74	17.74	3.53	3.53	3.53	3.53
Culture and Recreation										
Parks	2	2	2	2	2	2	2	1	1	1
Park acreage	15	15	15	15	15	15	15	1	1	1
Highways and Streets										
Maintenance facilities	1	1	1	1	1	1	1	1	1	1
Miles of streets maintained	12.04	12.04	12.04	11.60	11.60	10.87	10.87	10.87	10.08	10.07
Miles of sidewalks maintained	8.30	8.30	8.30	7.80	6.68	6.43	5.93	5.70	5.52	5.09
Water System										
Miles of mains	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	24.9	24.9
Number of fire hydrants	280	280	280	280	280	275	275	268	268	268
Number of developed wells	6	6	5	5	5	5	5	5	5	5
Maximum daily capacity in gallons	600,000	600,000	500,000	500,000	500,000	835,200	835,200	835,200	835,200	835,200
Sewer System										
Miles of sewer	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	14.4	14.4
Waste water treatment plants	1	1	1	1	1	1	1	1	1	1
Maximum daily capacity of treatment plant in gallons	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000

Source: Various City departments.

OTHER REPORTING SECTION



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CITY OF DAWSONVILLE, GEORGIA
 SPECIAL LOCAL OPTION SALES TAX
 SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
 From Inception Through June 30, 2020

Project	Original Budget	Current Project Budget	Prior Year Project to Date	Current Year	Total	Percent Complete
SPLOST # 6						
Road, Streets, Bridges and Sidewalks	\$ 1,250,000	\$ 1,250,000	\$ 288,716	\$ 216,022	\$ 504,738	40.38%
Water and Sewer Projects	2,750,000	750,000	316,313	-	316,313	42.18%
Park and Recreation Facilities	2,250,000	2,706,657	1,824,031	549,094	2,373,125	87.68%
Farmers Market Facility	1,000,000	1,127,199	154,085	917,317	1,071,402	95.05%
Public Works Facility and Equipment	400,000	400,000	243,334	41,225	284,559	71.14%
City Hall Acquisition	2,000,000	2,000,000	885,671	461,185	1,346,856	67.34%
	<u>\$ 9,650,000</u>	<u>\$ 8,233,856</u>	<u>\$ 3,712,150</u>	<u>\$ 2,184,843</u>	<u>\$ 5,896,993</u>	<u>71.62%</u>
 Total All SPLOST Projects	 <u>\$ 9,650,000</u>	 <u>\$ 8,233,856</u>	 <u>\$ 3,712,150</u>	 <u>\$ 2,184,843</u>	 <u>\$ 5,896,993</u>	 <u>71.62%</u>

Reconciliation to Capital Projects Fund:

Total Expenditures - Capital Projects Fund	\$ 2,099,399
Transfers to other funds	<u>85,444</u>
SPLOST 6 Expenditures - current year	<u>\$ 2,184,843</u>

*Note: The current project budget for SPLOST VI was amended in the current year to more accurately reflect the projected revenues that will be received under the referendum and actual costs for specified projects.

COMPLIANCE SECTION



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and City Council
City of Dawsonville
Dawsonville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dawsonville, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Dawsonville, Georgia's basic financial statements, and have issued our report thereon dated December 7, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Dawsonville, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Dawsonville, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Dawsonville, Georgia's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Dawsonville, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alexander, Almand & Bangs, LLP

Alexander, Almand & Bangs, LLP
Gainesville, Georgia
December 7, 2020

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